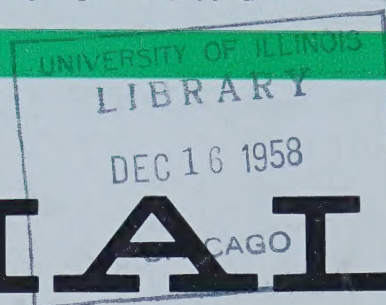


Commerce

DECEMBER, 1958

CHICAGOLAND
VOICE
OF BUSINESS

Published since 1904 by the Chicago Association of Commerce and Industry



SPECIAL REPORT

1959 CHICAGOLAND BUSINESS OUTLOOK

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What Are We?
**BIG EARNERS,
BIG SPENDERS,
BIG SAVERS!**

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JAPAN—Growing Customer and Competitor

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MILESTONES FOR TWO BUSINESS SCHOOLS

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**Chicago Association of Commerce and Industry
Photo and News Coverage**

Page 40



**Season's
Greetings**

From

Chicago ...

Rockford ...

South Bend ...

Gary ...

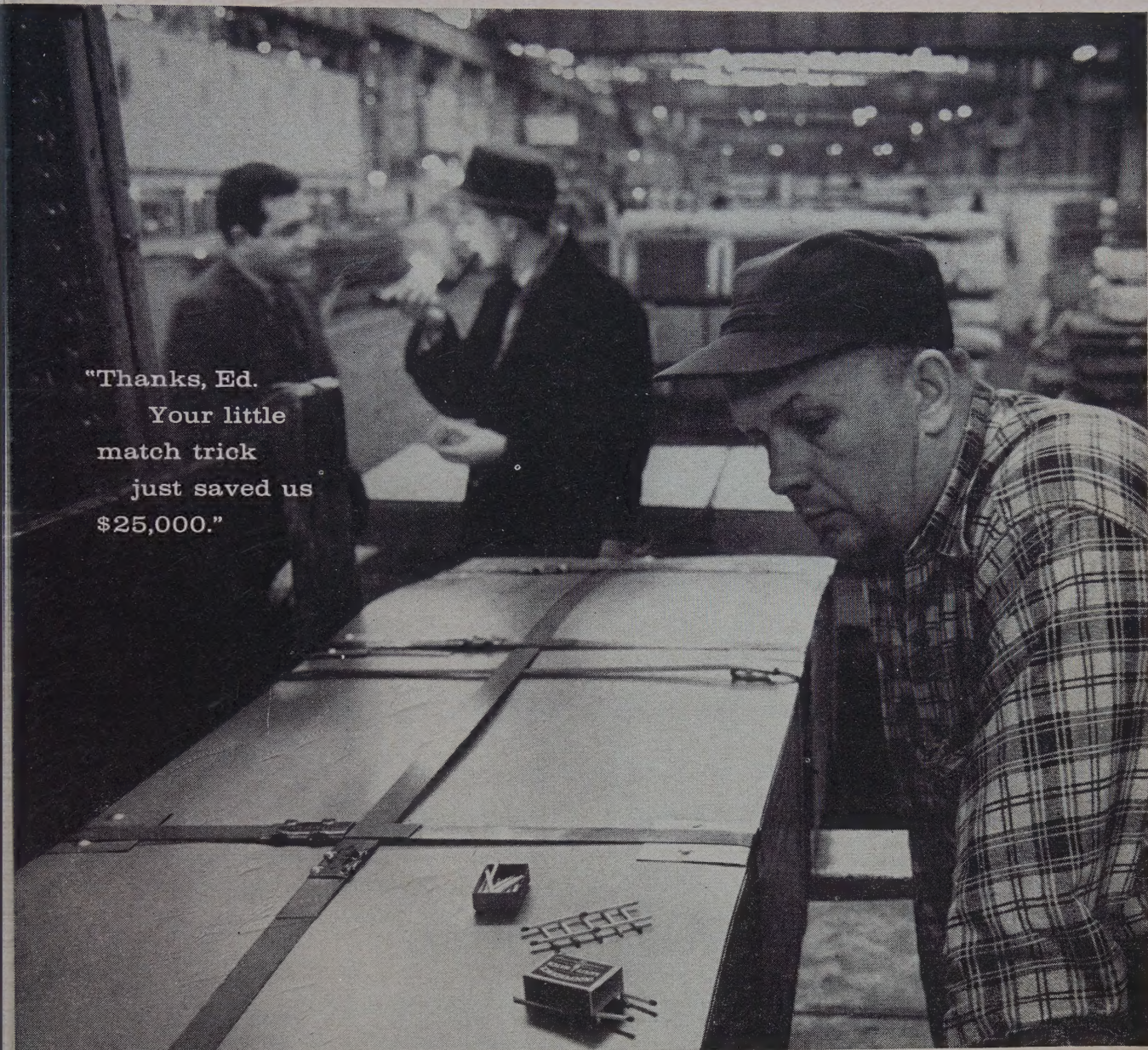
Joliet ...

EXCELLENCE IN ELECTRICAL PRODUCTS

Englewood

ELECTRICAL SUPPLY CO.

**ROCKFORD • CHICAGO • SOUTH BEND • GARY
JOLIET DIVISION**



"Thanks, Ed.
Your little
match trick
just saved us
\$25,000."

Changing to a seemingly more efficient method may not always add up to the best answer. For example, new packaging instructions solved a handling problem for a large user of cold rolled sheets, but created a new problem by adding about \$3 per ton to their steel cost.

Their lifts of steel had been coming in on crosswise skids, and when the fork-truck picked them up the ends sagged. This made handling difficult and hazardous. To overcome this problem they decided to have their sheets packaged on solid platforms which would provide support. This solved the handling problem, but the added cost bothered Ed Robinson—one of Inland's packaging and loading specialists.

Visiting the user's plant, Ed watched the unloading

operation and came up with another idea, which he demonstrated with matches: "Why not order your sheets packaged on lengthwise skids?" he asked. "Inland's shipping department will place wood blocks on the truck bed before loading your steel. Then your fork lift truck can get under the lifts easily—and you won't have to pay extra for special platforms."

Some people might call Ed's concern a bit out of the ordinary. At Inland we think of it as normal follow-through. Whether it's help in specifying the right kind of steel for the job, advising on production procedures or aiding with material handling, Inland's sales and field representatives are constantly working to provide their customers with a complete steel service.

INLAND STEEL COMPANY

30 W. Monroe St. - Chicago 3, Ill. | Sales Offices: Chicago - Milwaukee - St. Paul - Davenport - St. Louis - Kansas City - Indianapolis - Detroit - New York - Houston



Other Members of the Inland Family

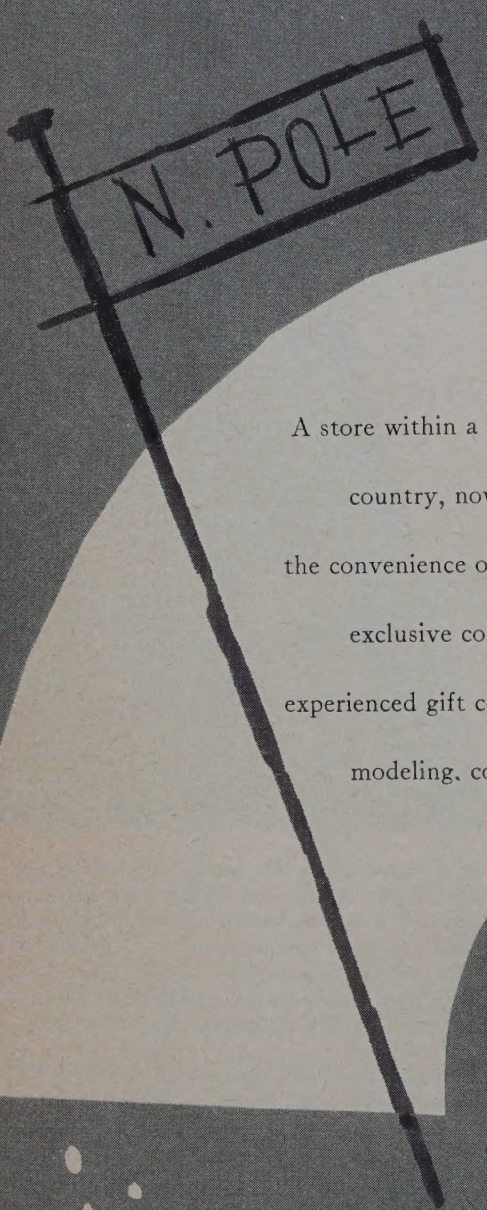
JOSEPH T. RYERSON & SON, INC.

INLAND STEEL PRODUCTS COMPANY

INLAND STEEL CONTAINER COMPANY—DIVISION

INLAND LIME & STONE COMPANY—DIVISION

For Men Only Shop



N. POLE

A store within a store . . . first of it's kind in the
country, now in it's 24th season. For men only . . . it offers
the convenience of shopping your entire gift list in
exclusive comfort, while you enjoy the personalized help of
experienced gift counselors. Continuous informal
modeling, coffee on the house, free gift wrapping!

NO WOMEN ALLOWED! Excep-
tion: wives and secretaries may
shop until 11 a. m.

Just take any State Street elevator,
to the eighth floor, or walk thru
the corridor from the men's grill

Carson

Pirie

Scott & Co

Commerce

CHICAGOLAND
VOICE
OF BUSINESS

Volume 55 • Number 11 • December, 1958

In This Issue

What's the business outlook for Chicago area companies in 1959? Will profits, sales, employment, prices, and wages be up or down? To find out the answers to these and other pertinent questions, the Business, Research and Statistics Division of the Chicago Association of Commerce and Industry surveyed top management in the area. Their predictions for 1959 business are in the article starting on page 15.

Beginning on page 17 is an economic profile of the Chicago Metropolitan area. It is the first study to contain a comprehensive set of data for a major metropolitan area. It is must reading for any business man who is interested in market analysis, business location decisions, and area economic planning.

Where does Japan stand today as a customer and an industrial competitor? Thomas H. Coulter, chief executive officer of the Association of Commerce and Industry, who recently returned from Japan, gives a first hand account of this island nation in the Far East starting on page 18.

This year marks the 50th and 60th anniversaries, respectively, of the schools of business at Northwestern University and the University of Chicago. Both institutions are pioneers and pace setters in the field. Their colorful history along with stories of the men responsible for the early and continuing success of the two schools unfolds in the article beginning on page 22.

This issue inaugurates a new feature for COMMERCE readers. It incorporates the Association's house organ, Chicagoland Voice of Business. Every month this section of COMMERCE will cover the news of Association programs and plans. It commences on page 40.

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Alan Sturdy, Editor

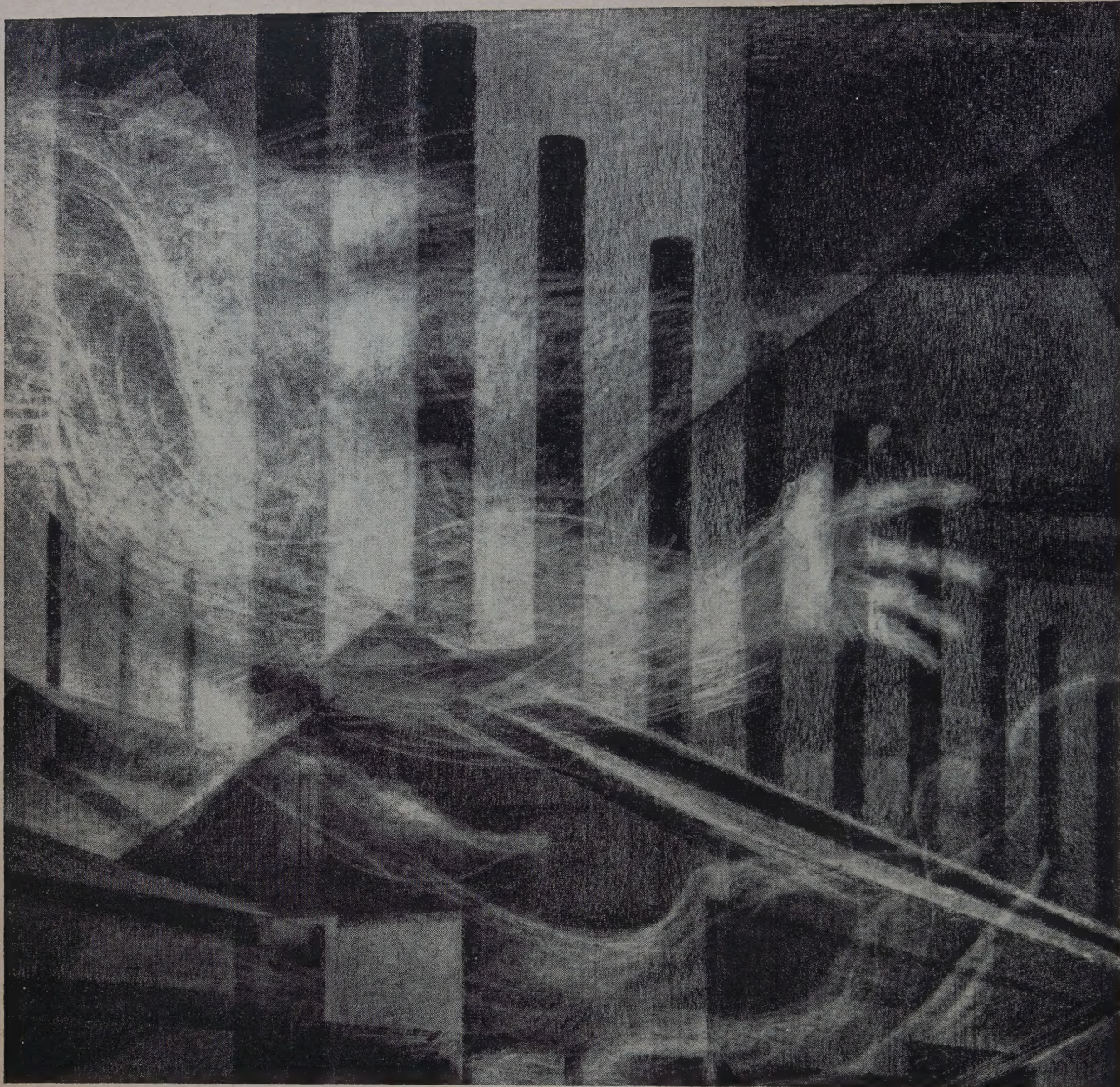
Tom Callahan, Associate Editor

Gordon Rice, Advertising Manager

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THE PHANTOM OF THE OPEN HEARTH

How would you like to build a \$45 million open hearth furnace with only \$10 million? You think it can't be done? At United States Steel, we *know* it can't be done. But under the existing tax laws on depreciation we're supposed to do it.

Because it cost only \$10 million to build an open hearth furnace 25 years ago, that's all that the tax laws let us set up to replace it when it wears out—even though it costs \$45 million to build one today. The additional \$35 million has to come from profits. But profits we spend on replacement are only phantom profits. They can't be used for research, expansion, payments to our shareholders—the things profits *should* be used for. We have to use them just to stand still.

Last year, nearly $\frac{1}{4}$ of all the profits that United States Steel earned were phantom profits.

USS is a registered trademark

 **United States Steel**



Dear Member,

Positive action...has keynoted recent Association activities. Trade and many other relations benefited as a result of the first annual Canadian-American Trade and Industry Conference...Industrial Development was given impetus by the Plant Location in Chicago Market Area Conference...Aviation Tomorrow was described by experts during Jet Transportation Day...more than 1750 salesmen were trained and inspired by the Gove-True Sales Clinic. All were sponsored by the Association...all received enthusiastic support.

The Chicago Area had the opportunity to compare itself with the Nation for the first time...economically speaking...when the Association hosted the School of Business of the University of Chicago at a luncheon celebrating the School's 60th anniversary. A three-year study authored by Professor Ezra Solomon and assisted by Zarko Bilbija of the School of Business under a grant from the Association...shows that Chicagoans work harder...produce more...make more...and save more than does the nation as a whole. Professor Solomon's complete report on his findings will be published in February...but his basic findings contained within "Metropolitan Chicago--an Economic Profile" received so much favorable attention that this 16-page brochure will be made available to you by the Association in a second edition in the near future.

Under the leadership of President Joseph L. Block further action regarding political activity was taken by the Board of Directors in its November meeting. The Board's policy statement reaffirmed that this Association is a non-partisan organization...devoted to the welfare of the business interests and all the people of the Chicago Metropolitan Area...but stated that to accomplish these broad objectives...it is imperative that more of its members participate as individuals in political activity. Further, the Association through its publications...public statements...and in any other practical manner will urge its members and their employees to engage more vigorously in such activities...and...will stimulate interest and action through its new Governmental Affairs Division. Last year, the United States Chamber of Commerce presented this Association the National Award for Congressional Action. These newly stated policies will help maintain leadership in an area important to all.

This issue of Commerce in combination with Chicagoland Voice of Business marks an expansion...in number of pages...and in content. Beginning on Page 40 you will find comprehensive coverage of the part the Association plays in community affairs.

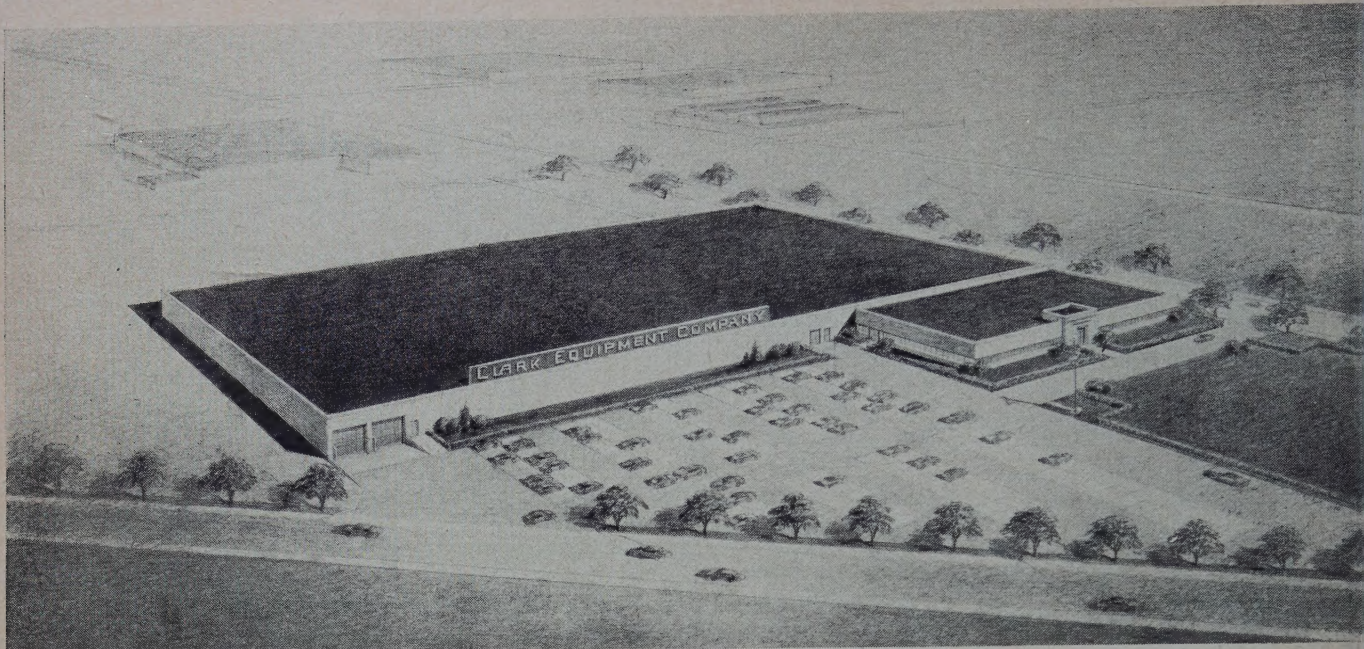
The coming holiday season should be one of the happiest for all who live and work in the Chicago Metropolitan Area. Not only is the business outlook much more promising than a year ago...but the future forecast for 1959 truly means big things. The new St. Lawrence Seaway...jet transportation...new highways...and growth all around us will make 1959 an exciting and prosperous year.

Merry Christmas and a most Happy, Prosperous New Year.

Sincerely,

James H. Coulter

Chief Executive Officer, The Chicago Association of Commerce and Industry



Rendering of New Plant recently completed for Clark Equipment Co.

Eleven New Plants Now Located in Clearing's 73rd Street District

73rd Street and Cicero Avenue

A NEW MODERN DISTRICT FOR MODERN PLANTS

Choice Sites Available

Clearing Industrial District, Inc., has four modern industrial districts in the Chicago area. The company offers the services of a complete engineering and construction department, architect and financing on either a long term lease or purchase contract; in short, every detail toward a completed project.

For further details address inquiries to "Clearing Industrial District, Inc., 38 South Dearborn Street, Chicago," or call RAndolph 6-0135.

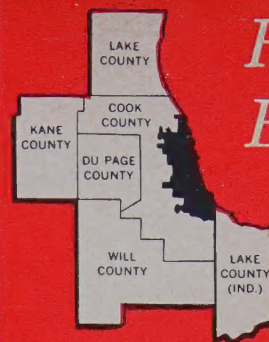
CLEARING INDUSTRIAL DISTRICT, Inc.

FIRST NATIONAL BANK BUILDING

CHICAGO 3, ILLINOIS

How's Business?

CHICAGO METROPOLITAN AREA REPORT



BUSINESS activity in October, as revealed by the business indicators below, continued to improve. In October the index of industrial production moved up for the sixth consecutive month. It was 3% ahead of September, and 1.2% over October of last year. The increase in October was primarily due to increases in steel and electric power production.

Chicago area steel mills in October were operating at about 85% of capacity, which was 11 points above the national average. They produced 1,752,800 tons of steel, topping September by 235,900 tons, and October

of last year by 42,800 tons. October was the biggest steel producing month since May of 1957.

Electric power production in October, topping every monthly figure for the past two years, was 5.3% above September and 2.4% above October of last year. Dressed meat production fell behind both the preceding month and October of last year.

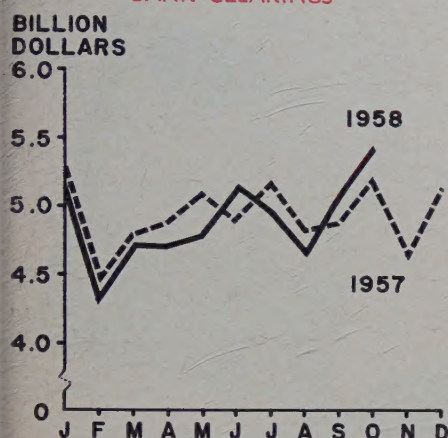
Department stores sales in October, seasonally adjusted, showed no advance over September but were 3 index points, or 2.6%, ahead of the comparable month last year. A slight decrease in food prices sufficed to lower the Consumer Price Index from 127.4 in September to 127.3 in October. The number of new passenger car sales dropped again in September, the latest month for which figures are available.

Joblessness, as reflected in unemployment totals, continued receding from its earlier highs this year. The preliminary figure of 185,000 unemployed in October dropped 7.5% from September, 19.6% from August, but is still well above last year. Unemployment compensation claims dropped to 59,008, from 71,543 in September, a drop of 17.5%, and

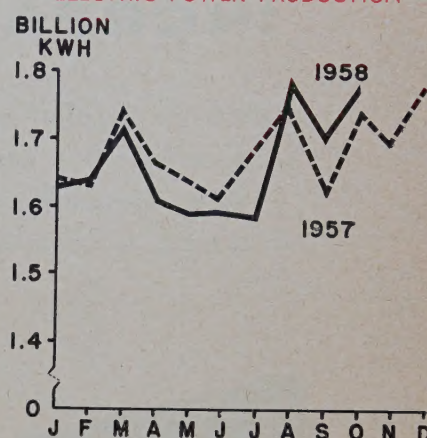
in October was at the lowest point this year.

With respect to residential construction, more building permits for new homes were issued throughout the Chicago Metropolitan Area in

BANK CLEARINGS



ELECTRIC POWER PRODUCTION



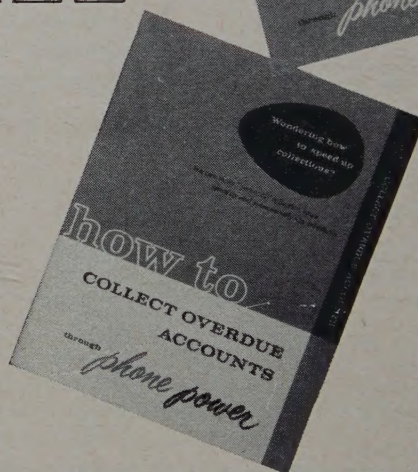
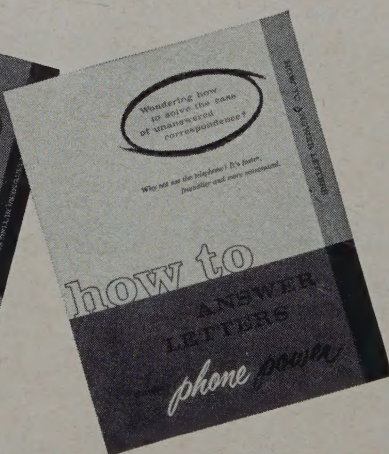
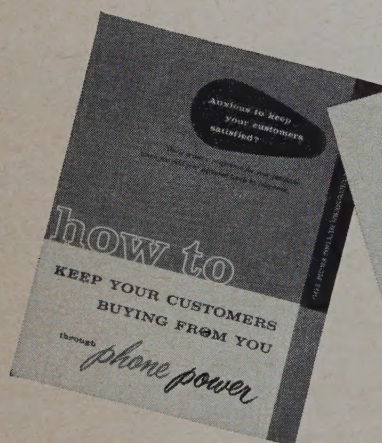
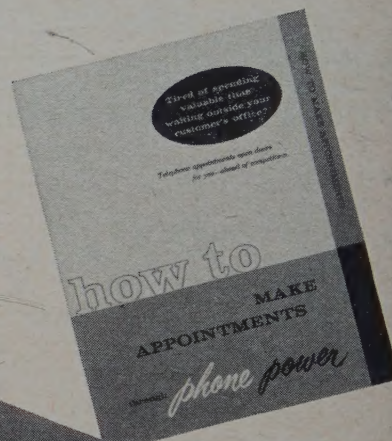
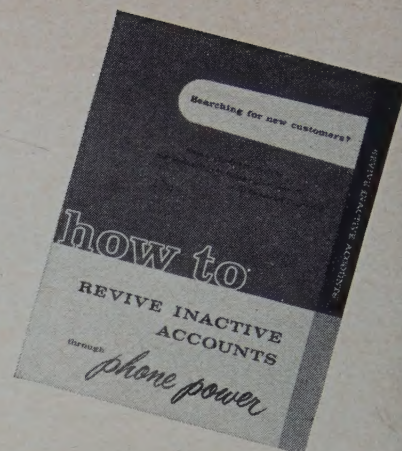
	Oct.	1958 Sept.	Aug.	Oct.	1957 Sept.	Yearly 1957	1956
POPULATION AND GENERAL GROWTH							
TRENDS:							
Population—Chicago (000) Estimated	3,776.8	3,774.8	3,773.0	3,754.3	3,752.2	(1/1) 3,734.6	(1/1) 3,711.0
—Metr. Area (000) Estimated	6,535.2	6,523.2	6,511.9	6,395.2	6,383.3	(1/1) 6,278.6	(1/1) 6,138.7
Recorded Births:							
—Chicago	8,317	8,558	8,587	8,468	8,528	T 98,260	92,835
—Metr. Area (5 Ill. Counties)	12,943	13,328	13,095	13,142	13,141	T 150,196	141,986
Recorded Deaths:							
—Chicago	3,178	2,903	2,922	3,741	3,165	T 40,433	38,427
—Metr. Area (5 Ill. Counties)	4,776	4,388	4,428	5,652	4,686	T 59,567	56,291
Marriage Licenses (Cook County)	3,452	3,798	4,560	3,307	3,679	T 42,697	44,424
Total Water Pumpage:							
—Chicago Water (000,000) Gal.)	31,502	32,932	35,841	31,688	33,452	T 373,050	377,539
Net Increase in Main Telephones:							
—Business Telephones	310.2	308.9	308.0	304.4	303.7	Ye 305.1	297.3
—Residential Telephones	1,610.0	1,603.2	1,599.6	1,572.6	1,565.9	Ye 1,582.5	1,535.3
INDUSTRY:							
Index of Industrial Production (1947-49=100)	124.0 p	120.4	117.9	125.5	129.0	A 129.5	135.3
Steel Production (000 Tons)	1,752.8	1,516.9	1,476.3	1,710.0	1,642.9	T 20,733	20,726
Petroleum Refining (Jan. 1957=100)		90.4	93.9	87.6	94.4	A 93.5	N.A.
Industrial Gas Consumed—Chgo. (000 Therms)	14,657	13,286	11,935	15,749	14,165	T 186,224	186,447
Electric Power Prod. (000,000 K.W.H.)	1,787	1,696	1,792	1,745	1,615	T 20,196	19,327
Dressed Meat Und. Fed. Insp. ('53=100)	86.5	90.3	86.4	92.5	89.6	A 90.2	93.1
TRADE:							
Dept. Store Indexes (1947-49=100)							
—Sales, Unadjusted	122	120	111	119	127	A 120	118
—Sales, Seas., Adjusted	119	119	127	116	125	A 120	118
—Inventories, Unadjusted	151	140	131	157	142	A 140	131
—Inventories, Seas. Adjusted	139	139	136	144	141	A 140	131
Retailer's Occupation Tax Collections (Municipal Tax Excluded) (000)							
—Chicago Metr. Area (5 Ill. Counties)		\$ 14,428	\$ 14,380	\$ 15,768	\$ 15,011	T \$193,349	\$183,393
—Chicago		\$ 9,015	\$ 9,058	\$ 10,053	\$ 9,737	T \$127,102	\$124,130
Consumer Price Index (1947-49=100)							
All Items—Chicago	127.3	127.4	126.9	124.7	124.3	A 123.3	119.5
New Passenger Car Sales—No. Cars		13,592	16,619	17,997	19,607	T 266,546	268,497

T=Annual Total. A=Average (usually monthly). Ye=Year End. p=Preliminary. N.A.=Not available. r=Revised.

PROVED BUSINESS AIDS TO HELP YOU CUT COSTS, INCREASE PROFITS!

Here are the step-by-step answers to common business problems. There's no guesswork about the method outlined in these easy-to-follow folders. Each step has been carefully worked out to give you a *proved* effective blueprint for your business.

FREE



How to keep customers buying from you — through phone power. It costs much less to keep customers, than to look for new ones. Here are proved effective ways to keep them on the active list.

How to answer letters through phone power. It's been estimated you spend at least \$1.70 to answer a letter with a letter. It's faster, friendlier and more economical to answer by phone.

How to collect overdue accounts with phone power. If you're wondering how to collect those slow accounts and retain good will, it can be done effectively, easily and at low cost with phone power.

How to make appointments through phone power. Are your salesmen wasting valuable time waiting outside your customer's office? This free folder tells how to open doors ahead of competition.

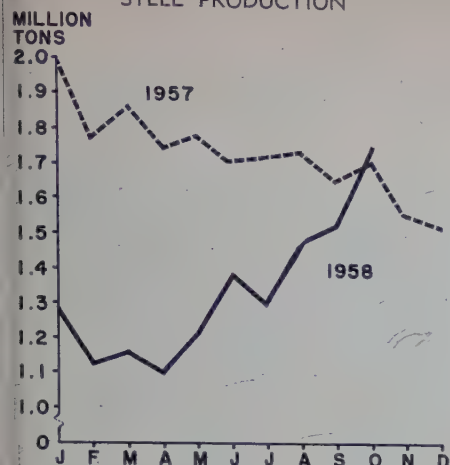
How to revive inactive accounts through phone power. Some of your best prospects for new business may be hiding in your file marked "inactive." Revive their former value with phone power.

In Chicago, to get your copy of any, or all of these valuable business aids, call your Service Representative on Official 3-9100. Outside Chicago, call your Illinois Bell Telephone business office. The booklets are free, of course.

ILLINOIS BELL TELEPHONE

"Business Builds with Phone Power"

STEEL PRODUCTION

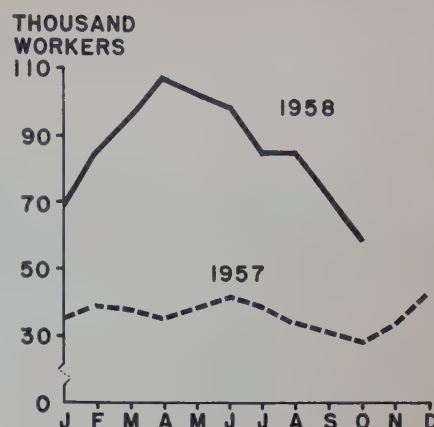


October than in any month this year and last year. Substantial gains were also reported in apartment activity.

In the financial series, Chicago bank clearings hit an all time record high in October, reflecting the general upswing in business activity. Check book spending, as reflected in bank debits, dipped a fraction of 1% from September, but was almost 6% above October, 1957.

Number of shares traded on the Midwest Stock Exchange hit an all time record high in October with 3,293,000 shares traded.

INSURED UNEMPLOYMENT



EMPLOYMENT AND PAYROLLS:*

Non-Agric. Wage and Salary Workers—									
Number (000)	2,488.6p	2,486.0	2,457.2	2,635.8	2,648.4	A	2,626.6	2,623.0	
—Manufacturing (000)	905.1p	903.5	887.8	1,013.0	1,021.8	A	1,016.6	1,028.9	
—Non-Manufacturing (000)	1,583.5p	1,582.5	1,569.4	1,622.8	1,626.6	A	1,610.0	1,594.1	
—Average Weekly Earnings	\$ 96.36p	\$ 97.80	\$ 95.51	\$ 92.18	\$ 94.16	A	\$ 92.78	\$ 90.04	
—Average Weekly Hours	39.8p	40.3	39.6	39.5	40.3	A	40.3	41.0	
Total Unemploy. (Est. Mid. Mo.) (000)	185p	200	230	80	75	A	89	69	
(Cook, DuPage, Ill. and Lake Co., Ind.)									
Insured Unemployment Cook and DuPage Counties (000)									
	59.0	71.5	84.8	28.5	31.2	A	36.9	31.3	
Families on Relief (Cook Co.)	27,476	26,024	26,354	21,627	21,138	A	22,622	23,386	
CONSTRUCTION AND REAL ESTATE:									
All Building Permits—Chicago	2,687	2,676	2,874	2,475	2,540	T	27,298	27,191	
—Cost (000)	\$ 24,391	\$ 20,312	\$ 21,815	\$ 20,329	\$ 34,439	T	\$ 328,362	\$ 318,920	
Dwelling Units Auth. by Bldg. Permits	4,426	3,789	3,404	3,553	3,024	T	39,578	48,632	
—Single Family Units (Number)	3,519	3,144	2,651	2,966	2,637	T	30,884	39,919	
—Apartment Units (Number)	907	645	753	587	387	T	8,694	8,713	
Construction Contracts Awarded									
—All Contracts (000)		\$ 119,831	\$ 102,225	N.A.	\$ 119,446		N.A.	N.A.	
—Non-Residential Contracts (000)		\$ 31,198	\$ 34,081	N.A.	\$ 46,063		N.A.	N.A.	
—Commercial Contracts (000)		\$ 8,162	\$ 18,681	N.A.	\$ 11,120		N.A.	N.A.	
Index of Vacant Industrial Buildings (1954-55=100)									
	86.4	86.9	84.2	N.A.	N.A.		85.5	79.7	
Industrial Plant Investment (000)	\$ 15,625	\$ 17,260	\$ 4,906	\$ 15,354	\$ 67,916	T	\$ 251,414	\$ 562,479	
Construction Cost Index (1913=100)	631	631	629	624	624	A	614	595	
Structures Demolished—City of Chicago	141	225	249	109	47	T	755	484	
Real Estate Transfers—Cook County	7,665	5,443	5,783	7,451	6,561	T	80,900	98,404	
—Stated Consideration (000)	\$ 5,240	\$ 3,501	\$ 3,008	\$ 4,772	\$ 3,664	T	\$ 65,208	\$ 74,402	

FINANCE:

Fed. Res. Member Banks in Chicago								
—Demand Deposits (000,000)	\$ 4,311	\$ 4,374	\$ 4,351	\$ 4,287	\$ 4,227	Ye	\$ 4,459	\$ 4,480
—Time Deposits (000,000)	\$ 1,812	\$ 1,813	\$ 1,812	\$ 1,689	\$ 1,686	Ye	\$ 1,733	\$ 1,684
—Loans Outstanding (000,000)	\$ 3,709	\$ 3,748	\$ 3,603	\$ 4,238	\$ 4,246	Ye	\$ 4,153	\$ 4,055
—Com. and Ind. Loans (000,000)	\$ 2,684	\$ 2,708	\$ 2,588	\$ 3,080	\$ 3,141	Ye	\$ 3,008	\$ 2,886
Bank Debits—Daily Average (000)	\$ 674,759	\$ 676,237	\$ 587,857	\$ 638,768	\$ 675,138	A	\$ 646,509	\$ 599,256
Chicago Bank Clearings (000,000)	\$ 5,415	\$ 5,074	\$ 4,645	\$ 5,177	\$ 4,852	T	\$ 59,054	\$ 57,473
Ins. Sav. & Loan Assoc.—Cook County								
—Savings Receipts (000,000)	\$ 110.5	\$ 100.7	\$ 107.4	\$ 44.5	\$ 92.4	T	\$ 1,203.3	\$ 1,164.4
—Withdrawals (000,000)	\$ 70.0	\$ 75.3	\$ 90.1	\$ 34.3	\$ 72.6	T	\$ 894.0	\$ 814.4
—Mortgage Loans Originated (000,000)	\$ 96.0	\$ 93.0	\$ 91.3	\$ 69.4	\$ 60.0	T	\$ 718.5	\$ 762.3
Business Failures—Chicago								
—No. of Failures	34	26	21	20	24	T	291	271
—Total Liabilities (000)	\$ 1,658	\$ 1,255	\$ 691	\$ 997	\$ 1,329	T	\$ 16,759	\$ 21,898
Midwest Stock Exchange Transactions:								
—No. of Shares Traded (000)	3,293	2,750	2,253	2,612	1,699	T	25,484	25,644
—Market Value (000)	\$ 122,051	\$ 101,930	\$ 82,498	\$ 78,518	\$ 59,598	T	\$ 864,752	\$ 964,219
TRANSPORTATION:								
Car Loads of Rev. Freight Originated	113,575p	106,468r	N.A.	N.A.	N.A.		N.A.	N.A.
Express Shipments: Rail	891,194	792,637	690,951	925,305	779,321	T	7,244,646	11,311,157
Air	83,937	76,262	73,663	77,752	68,051	T	605,718	918,769
Natural Gas Dlv'd. by Pipe Line (000,000 Cu. Ft.)	25,119	24,885	24,732	24,695	23,878	T	295,322	292,346
Freight Originated by Common Carrier								
Intercity Trucks—(Jan. 1958=100)	114.5p	111.6r	105.5r	N.A.	N.A.		N.A.	N.A.
Air Passengers: Arrivals	475,868	466,848	509,316	457,860	461,487	T	5,148,119	4,677,748
Departures	484,304	479,777	520,252	465,468	465,395	T	5,311,915	4,895,887
Chicago Transit Authority Passengers:								
—Surface Division (000)	38,220	35,335	33,927	39,001	36,328	T	469,785	505,623
—Rapid Transit Division (000)	9,604	8,560	8,507	9,529	8,471	T	112,281	115,659
Air Mail Originated (000 Pounds)	2,910	1,457	1,407	1,580	1,429	T	20,098	17,876
Barge Line Freight Originated—Tons	391,050	386,810	406,175	N.A.	N.A.		N.A.	N.A.

T=Annual Total. A=Average (usually monthly). Ye=Year End. p=Preliminary. N.A.=Not available. r=Revised.

*Total gainfully employed—Approx. 3,000,000 workers.

GAS AT WORK for Chicago's Industry



Workmen hoist zinc-coated meat vat from new 28-foot Gas-fired galvanizing kettle at Metal Coating Corporation, Chicago. The second piece hanging in the background has been thoroughly cleaned and awaits submersion.

Metal Coating Corporation at 1215 West 37th Street has been in business for over twenty-five years as a producer of high quality galvanizing. Each job processed, whether new or refinished, receives the company-owned trade-mark — "hi-Spec*" — which is a guarantee of quality performance.

At Metal Coating, Gas helps to maintain these high standards by providing a fuel that is clean, fast and easy to control. It has the flexibility which makes it easily adaptable to the various heating applications in galvanizing plants. And Gas is economical, too, helps keep fuel costs down.

For information on how Gas can serve you in your production operations, call WAbash 2-6000, Extension 2449. One of our industrial engineers will be glad to discuss Gas fuel and its economies as they apply to your plant.

INDUSTRIAL DEPARTMENT

THE
PEOPLES GAS
LIGHT AND COKE COMPANY



editor's page

.....

Bigger and Better COMMERCE

This month COMMERCE comes to you with a sprightly new dress and a new section devoted exclusively to news and pictures of Chicago Association of Commerce and Industry events. These changes reflect the inclusion in COMMERCE of the Association's former news bulletin "Chicagoland Voice of Business."

Combining the two publications will add to our editorial resources and will, we believe, make a stronger, more attractive and more readable magazine. To fulfill the role of "Chicagoland Voice of Business," COMMERCE will increase the number of pages of coverage of Chicago area and Association developments.

It is our hope that these changes will enhance the interest of present readers and attract many new ones. We solicit your comments and suggestions.

Gull's Paradise Lost

The Early American magazine tells of the sad plight of the seagulls of St. Augustine, Florida, which, according to report, "are starving to death in the midst of plenty, because they have forgotten how to fish."

The gulls used to live on the waste from the local shrimp fleet. They didn't have to catch fish — or teach their young the techniques of fishing. Then the shrimp fleet moved away to Key West and paradise was lost. The Early American says: "A few of the birds had the intuition to follow the fleet. A few more were enterprising enough, or had enough instinct left, to take to the sea once more. But many of them can be seen sitting sadly where they were left, starving to death because no one will bring them shrimp, while out in the Gulf there is a sea of food for the taking."

These gulls were victims of the gull equivalent of a welfare state. Their needs were met in return for little or no effort on their part — and the result was a steady attrition of the qualities and abilities that go to make self-reliance and independence. And what the welfare state does to the lower orders of life, it does to the human animal as well.

On Xmas Parties

Police Commissioner Timothy J. O'Connor has addressed an open letter to officials of Chicago area companies which merits very serious attention.

"In Chicago traffic the Christmas season historically is the deadliest of all. In recent years there has been an average of fourteen deaths in Chicago traffic during the Christmas holiday. Traffic injuries and accidents are also proportionately higher. While greater volumes of traffic, early hours of darkness, bad visibility and inclement weather have contributed to tolls, it has been firmly established that in the majority of serious traffic accidents this time of year, someone involved has been drinking. Last year was an exception to past years. In 1957 there was only one traffic death charged against the Christmas holiday season. Last year was also the first of the Police Department Program which urged officials of Chicago companies to ban liquor at Christmas parties. Almost 90 per cent of the companies reached through the program agreed that no liquor would be served at such parties. These are the facts . . . I believe they speak for themselves."

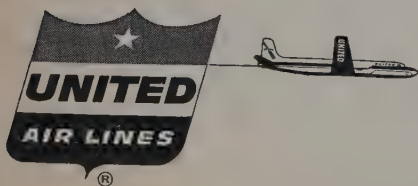
The commissioner's letter closes with a request that companies refrain from serving any alcoholic beverages at holiday parties and he writes: "I am sure that when the reasons for banning alcohol are explained to your employees they will understand and agree that it is the only proper policy."

Commissioner O'Connor's statement needs no enlargement. And it is evident that more and more companies are coming to his viewpoint. A survey covering 1,579 firms employing 555,520 workers, conducted by the Association, indicates that 10 per cent fewer of those companies having employee parties this year will serve liquor.

Alan Sturdy



How very convenient!
United's "Executive"
flights for-men-only
nonstop to New York
now leave at 5 p. m.
and 5:30 p. m.



Both of United's famous
 "Executive" flights are timed
 to suit your convenience.

For reservations on either of these
 popular after-business flights
 to La Guardia, call United Air Lines
 at **FI nancial 6-5700**
 or an authorized travel agent.



• **Christmas Bonus Plans** — The 1957-58 recession appears to have had little effect on this year's Christmas bonus plans among the 110 American companies cooperating in a survey made by the National Industrial Conference Board. The companies chosen for the survey all gave Christmas bonuses last year. Sixty-eight of them report they plan to give a bonus this year, while only six definitely intend to discontinue the practice. At the time of the survey the remaining companies had not decided whether bonuses would be given, and if they were to be, whether changes would be made. The staying quality of Christmas bonuses is evident in the companies surveyed. All but three of them have continued the practice for at least ten years, and in two-fifths of them the range is from ten to 20 years. Seven of the cooperating firms have given Christmas bonuses for 40 years or more.

• **Berry Bearing Branch** — Berry Bearing Company has opened a new, stock-carrying branch in downtown Joliet, Illinois (568 N. Chicago Street). The branch will stock over 50,000 different types and sizes of bearings, bearing specialties, and transmission appliances.

• **Christmas Party Plans** — There will be fewer office parties this Christmas season and alcoholic beverages will be served at less of those that are held than last year — continuing a downward trend started about seven years ago — according to a survey of the Employers Association of Chicago. Of the 237 offices employing about 44,000 employees answering the survey, only 30 per cent indicated they would have a party compared with 38 per cent having a party last year. Alcohol will be served at 60 per cent of the office parties, a drop of 14 per cent from Christmas, 1957. There will be a

four per cent increase in the number of plant parties held this year but less alcoholic beverages served. Of the 231 plants responding to the survey, 61 per cent indicated that alcohol would be served, a drop of 14 per cent from last year. Seventy per cent of all the employers surveyed will give their employees some kind of Christmas gift.

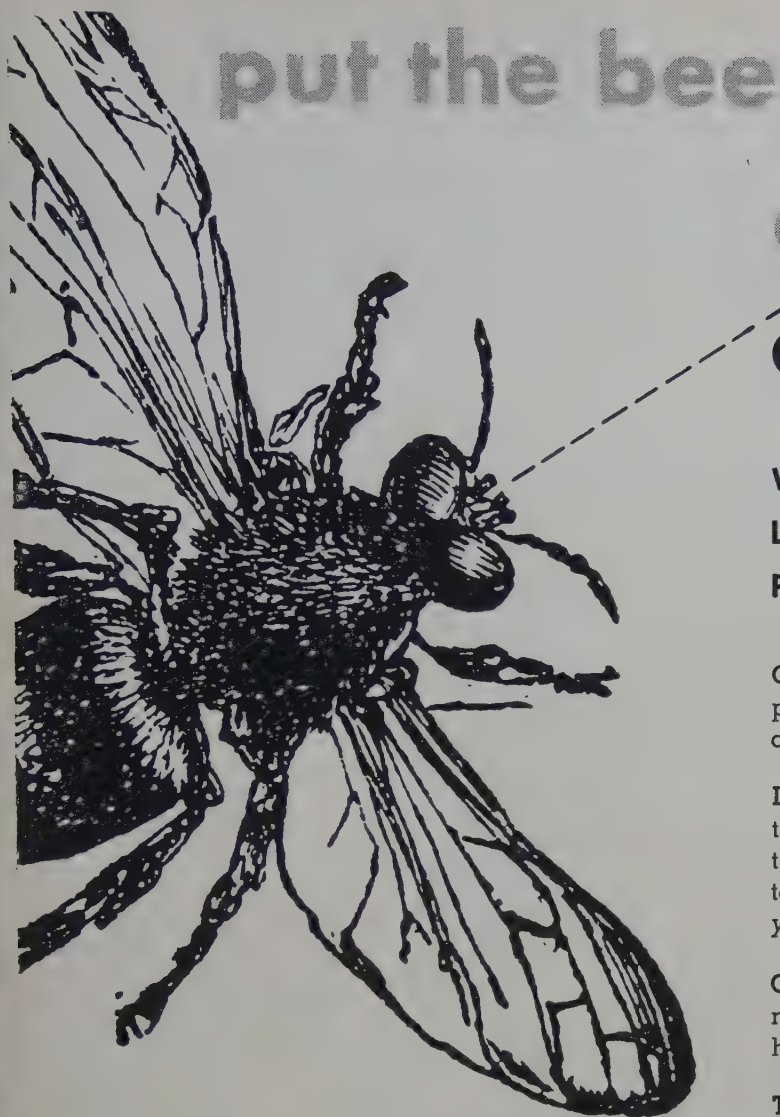
• **Introduce New Magazine** — Gilles Associates, Inc., Detroit, Michigan, has introduced a new magazine, "Machine Accounting and Data Processing." It is a bi-monthly publication of automatic office methods and management. Charter subscription rate is \$6.50 a year.

• **Million-Mile Club** — A group of 78 truck drivers for Spector — Midwest States has amassed one million miles of on-the-job driving without a single accident. They operate as a relay team hauling freight east, west, and south. In becoming million-milers, they set a record equal to driving 422 times around the world without an accident.

• **Statistical Association Meetings** — The 118th annual meeting of the American Statistical Association will be held at the Congress Hotel in Chicago December 27-30. Over 2000 experts in fields ranging from measurement of radioactivity to broad analysis of the general economy will describe findings of their research and will exchange technical know-how. Former economic advisor to President Eisenhower, Gabriel S. Hauge, and University of Chicago Economist, Ezra Solomon, will be featured speakers at the Association's Economic Outlook Luncheon on December 28.

• **\$17.7 Billion Repair Bill** — Expenditures for maintenance and repair for all types of construction

(Continued on page 32)



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on

corrosion

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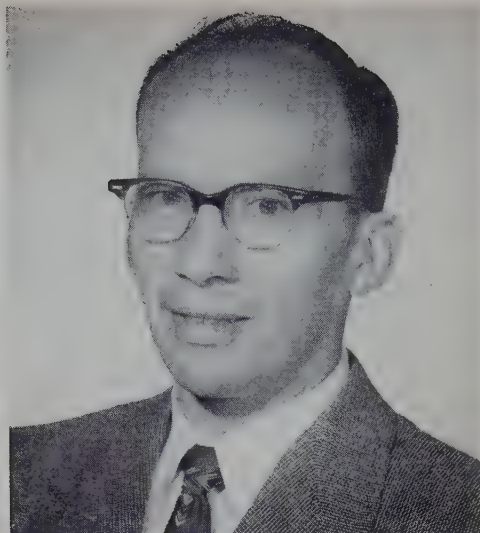
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DeVer Sholes

Chicagoland's

Business Outlook for 1959

Four out of five responding executives expect increased sales and bigger profits in 1959; Optimism much higher than year ago

By DeVER SHOLES

Director of Business Research and Statistics,
Chicago Association of Commerce and Industry

FOUR out of five business executives in the Chicago Metropolitan area expect the sales of their companies to increase next year over 1958 totals and three out of five expect bigger profits according to the annual "business outlook" survey just completed by the Chicago Association of Commerce and Industry. The 566 responding executives were much more optimistic in their forecasts than they were a year ago, when only half expected 1958 sales to top 1957 and only one out of four predicted a bigger profit.

Five Questions Asked

Here are the five questions asked in the survey:

What is the outlook for your company's business in the Chicago Metropolitan Area for 1959 as compared with 1958 in terms of sales, profits,

advertising and sales promotion expenditures, employment, wage rates, selling prices, and capital investment?

How will your 1958 year-end inventory compare with that of 1957?

Has increased productivity by workers, or increased plant efficiency, offset wage increases paid in 1958?

What is your type of business? — manufacturing; services; construction; retail trade or wholesale trade; transportation and public utilities; finance, insurance and real estate; or "other."

How many employees does your firm have in the Chicago area as of the present time?

Of the total number of responses, 81 per cent anticipate sales in 1959 would be higher than in 1958. Only six per cent look for lower sales.

Of the manufacturing firms, 84 per cent foresee an increase as do 84 per cent of the service industries and 87 per cent of the retail and wholesale firms. In the remaining classifications of business, 69 per cent expect increased sales volume in 1959 over 1958.

Foresee Higher Profits

Of the respondents, 63 per cent expect higher profits in 1959 and only 14 per cent look for lower profits. Increased profits were predicted by 65 per cent of the service establishments, 64 per cent of the manufacturers and 64 per cent of the retail and wholesale trade firms; but only 57 per cent of the other types of firms could foresee a profit increase.

Higher advertising and sales pro-

There's more than these new bright lights on State Street; there's a bright outlook too: 87 per cent of the Chicagoland's retail and wholesale firms expect an increase in sales next year and 64 per cent foresee increased profits

General Electric Company Photo

motion expenditures are planned by 42 per cent of all reporting firms, with 50 per cent of the retail and wholesale firms anticipating an increase. Only 32 per cent of the finance, insurance, construction and other types of firms expect to increase these expenditures. In manufacturing firms increases in these expenditures are anticipated by 43 per cent, and in service establishments by 44 per cent.

Only six per cent of the firms expect to reduce advertising and sales promotion expenditures, while 48 per cent of all firms expect advertising expenditures to stay at the same level as in 1958.

Executives responding to this survey report their firms employ a total of 213,000 persons. Of these, 127,000 are employed in manufacturing, 14,000 in service establishments, 20,000 in wholesale and retail trade, and the remaining groups employ 52,000 persons.

Forty-three per cent of all reporting firms, which accounted for 118,000 employees of the 213,000 total, expect to increase their employment. Among manufacturing firms, 44 per cent anticipate increased employment in 1959. Wholesale and retail firms expect a 24 per cent employment increase. Among all the firms in the survey, 46 per cent indicate there would be no change in employment next year compared with 1958. Only seven per cent of the reporting firms expect a drop in employment.

Expected Increased Wages

Increases in wage rates were foreseen by 75 per cent of responding firms. In manufacturing the percentage expecting an increase amounted to 83 per cent. Only 64 per cent of the reporting wholesale and retail firms expect wage increases. In the service industries, 65 per cent look for higher wages, and 80 per cent of the remaining types of organizations anticipate a wage increase. No reporting firms expect a decrease in wage rates.

In answer to the question, how will your 1959 selling prices compare with 1958, 40 per cent of the respondents said higher, 48 per cent said no change and five per cent foresaw a decline. Among manufacturing establishments, 42 per cent expect price increases, 47 per cent expect no change and six per cent

look for a decline. Among service establishments, 29 per cent expect an increase, 62 per cent no change and five per cent a decline. Thirty-nine per cent of the remaining firms predict price increases, 43 per cent expect no change and four per cent a decline.

Forty-three per cent of all reporting firms and 46 per cent of the manufacturing establishments expect to increase capital goods investment next year. In the wholesale and retail trade only 39 per cent of the respondents expect to increase capital investment expenditures.

Stable Expenditures

Of all reporting firms, 50 per cent expect their capital expenditures to remain at the same level in 1959 as in 1958. No change in capital investment is planned by 56 per cent of the service firms, 53 per cent of the wholesale and retail firms, 47 per cent of the manufacturers, and 49 per cent of the remaining types of firms.

On the question of inventories, 26 per cent, or 130, of the business executives indicated their 1958 year-end inventory would be down compared with the year-end inventory for 1957. Of the 130 firms predicting a drop, nine per cent expect a ten per cent drop or less; eight per cent a drop of 11 per cent to 20 per cent; five per cent expect a 21 per cent to 40 per cent decrease; and four per cent said only "down" and gave no indication of degree.

An additional 23 per cent, or 116, of the respondents indicate that inventories will be up over a year ago. Of these 116 responding companies, 11 per cent indicate inventories will be up ten per cent or less; five per cent of the firms indicate inventories will be up 11 per cent to 20 per cent; and three per cent of the firms say that inventories would be up 21 per cent to 40 per cent. An additional four per cent expect inventories to be up but did not say how much.

No Inventory Change

Of all the companies responding, 46 per cent indicate that there will be no change in their inventory at the end of 1958 compared with the 1957 year-end inventory.

A somewhat larger percentage of manufacturers indicated that inven-

tories will be down with 36 per cent of the firms so indicating and only 40 per cent indicating no change. Twenty-four per cent of the manufacturers expect their year-end inventories to be up but about half of those firms report an increase in inventory of ten per cent or less.

In response to the question, has increased productivity by workers, or increased plant efficiency, offset wage increases paid in 1958, only 28 per cent said yes and 52 per cent said no. In manufacturing, 32 per cent reported productivity kept abreast of wage hikes while 55 per cent reported it had not. Fifteen per cent of all reporting firms indicated that no increases in wages had been granted in 1958, but only 11 per cent of manufacturers did not increase wages. Of the retailers and wholesalers, 26 per cent indicated no increase in wages paid this year.

How do the responses of the current survey compare with that of a year ago?

Last Year's Outlook

A year ago 51 per cent of the responding firms expected higher sales in 1958 as compared with 81 per cent now forecasting a sales increase for 1959. In predicting profit levels for 1958, only 28 per cent said they expected an increase in profits and 46 per cent anticipated a decline. This year 63 per cent expect an increase in profits for 1959 and only 14 per cent foresee a decline.

As for the level of employment in 1958, 23 per cent of the firms predicted higher employment as compared with 43 per cent for 1957. Fifty-four per cent of the firms expected employment to hold its own in 1958, while 46 per cent say they expect no change in employment in 1959. Twenty-two per cent anticipated lower employment levels in 1958 whereas only seven per cent expect a decline in employment in 1959. Seventy-five per cent of the firms this year foresee a wage increase in 1959 as compared with 71 per cent predicting an increase for 1958. No change in the price level was expected in 53 per cent of the firms a year ago compared with 48 per cent anticipating a stable price level in 1959.

Last year's survey had no question on advertising and sales promotion expenditures or capital investment

An Economic Profile of Chicago

Here is the first study ever to pinpoint the flow of production, income and savings for one region

By EZRA SOLOMON

Professor of Finance, School of Business, University of Chicago

This article gives the highlights of a comprehensive study of the flow of production, income and saving originating in the Chicago metropolitan area conducted by Mr. Solomon and Zarko Bilbija at the School of Business of the University of Chicago. The study was financed by the Chicago Association of Commerce and Industry. The complete report, which is the first of its kind made for any region in the United States, will be available in book form in February. — The Editors.

ALTHOUGH we have been collecting facts about regional areas for at least as long as we've been collecting national data, our information on the national economy is far superior to our information on the individual areas within it. In fact, we know a lot more about the economy of most foreign countries than we know about Chicago. In the early stages of data collection — up to about the 1920's — both national and area data consisted mainly of "dead statistics." By this I mean that our stock of economic information consisted largely of unrelated facts gathered in periodic censuses of many kinds.

During the past 25 years, our national data have been gradually transformed. Instead of an assortment of unrelated facts, we now have a highly current, continuous, well-defined set of closely related accounts which trace the flow of production, income, spending and saving for the nation. But our information on each individual metropolitan area within the nation has remained very much at the dead

statistics stage — a large assortment of facts covering a large assortment of definitions: some facts for the city, some for the urbanized areas, some for metropolitan districts, some for the industrialized areas, some for counties, and some on the basis of yet other definitions.

Since the war, there has been a lot of pressure for better information on individual areas — both from people responsible for public planning and from business. Although the national economic accounts were developed primarily for the purpose of guiding governmental policy, business soon discovered that these data can also be used for business decisions; and today, national data are directly or indirectly used in a wide variety of ways. But business has also discovered that there are a score of purposes for which similar data, at a metropolitan level, would be far more relevant than national data. Companies with local markets obviously need local data, and companies with national markets need area data for location decisions and market analysis. The

recent interest in regional and metropolitan analysis is a direct result of these needs.

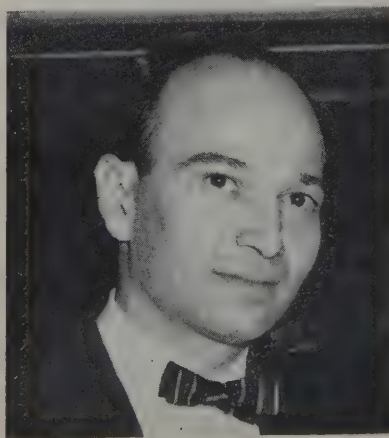
During the past few years, many steps have been taken to improve our understanding of these "little economies" within the nation. The first important step came in 1950 when the Census Bureau adopted standard definitions for metropolitan areas. In the case of Chicago, this was defined as five counties in Illinois — Cook, DuPage, Kane, Will, and Lake — and Lake County, Indiana. Since 1950, other agencies, but not all, have begun to develop data in terms of these standard areas rather than for the half-dozen different definitions previously used.

Many Steps Taken

A second step forward, for Chicago, came in 1952 when the Illinois Department of Labor, in cooperation with the United States Bureau of Labor Statistics, began compiling employment data for the metropolitan areas on nonagricultural wage and salary workers and their earnings. A third step came in 1955 when the *Annual Survey of Manufactures* and several other collecting agencies began to include separate statistics for selected metropolitan areas.

A fourth step came in 1956 when the Department of Commerce issued detailed compilations of personal income for the individual states. Although these state income figures do not provide information on metropolitan area income, they do provide an important basis for the development of such information.

The research study we have been conducting at the University of Chi-



Ezra Solomon

(Continued on page 24)



Aji-No-Moto Company, Inc., of Yokohama produces starch and mono sodium glutamate and uses thousands of tons of Illinois soy beans each month. Next year shiploads of beans can go directly from Chicago to Yokohama through the St. Lawrence Seaway.

Japan — Customer and Competitor

Japan is striving to adjust her production and trade practices to American requirements

By THOMAS H. COULTER

Chief Executive Officer, The Chicago Association of Commerce and Industry

The first all-Chicago Top Management Seminar Team to visit Japan recently completed a mission for the International Cooperation Administration. The four-man team, recruited for the State Department by the Council For International Progress In Man-

agement, included Bert R. Prall, Chairman, Federal Reserve Bank of Chicago, and Director, Chicago Association of Commerce and Industry; Charles C. Jarchow, President, American Steel Foundries; Richard Donham, Dean, Northwestern University School

of Business; and Thomas H. Coulter, Chief Executive Officer, Chicago Association of Commerce and Industry.

The team conducted three Seminars in Japan under the sponsorship of the Japan Productivity Center which were attended by 157 top leaders of Japanese commerce and industry. The objectives of the Seminars were to expose Japanese top executives to American management methods that could increase the productivity of Japan's industry and to foster improved trade relationships with the United States. — The Editors.

Richard Donham, Thomas H. Coulter, Charles C. Jarchow and Bert R. Prall pause between sessions to review Seminar program at Hakone, Japan



In the 50 years prior to World War II Japan, starting almost from scratch, had become one of the great industrial and trading nations of the world. Prior to that time this tiny country, about the size of California, had been almost exclusively engaged in agricultural and home crafts pursuits.

When Admiral Perry landed in



Top Management Seminar group of Japanese leaders of commerce and industry at Fujiya Hotel, Hakone, Japan, August, 1958

Japan in 1853 with an invitation for the Emperor from President Fillmore, suggesting trade for the mutual benefits of both countries, it ended a period of seclusion and isolation for Japan that extended back over 300 years. From that date, Japan gradually opened her doors to trade and began to industrialize in earnest toward the end of the 19th century.

Great Conquest

By World War II she had developed one of the four great industrial complexes of the world, become a great trading nation with an immense merchant fleet and begun an era of empire building as a major world power. Virtually without allies Japan quickly completed one of the greatest conquests in history. Four years of the bloodiest of wars, an almost complete blockade of the Japanese homeland, plus the overwhelming force of American military might including the atom bomb were necessary to finally overcome this tiny nation.

The war's end found most of Japan's major cities in rubble, 80 per cent of her industry obliterated and her merchant fleet on the bottom of the sea.

Defeated, bankrupt, with no raw materials, virtually no industrial production, no customers, no fleet

(Continued on page 29)



Bert R. Prall, American team leader, addressing Seminar group in Japan

Bert R. Prall addressing visiting Japan Trade Mission in Chicago Association of Commerce and Industry conference room on trade practices and policies in the U. S. A. As Chicago gains recognition as the world trade center of the U. S. A., foreign trade missions from all over the world are becoming regular visitors to the Association offices



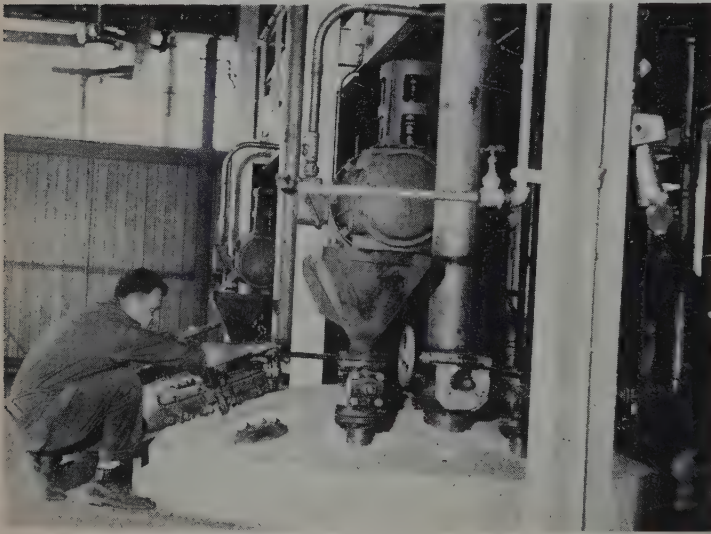


U. E. Wiley (left) executive vice president of Magnaflux Corporation, Chicago, and Virginia Drewke, employee representative of the company, accept the Sheldon-Claire "Partners In Prosperity Award" at Labor-Management Day luncheon. Lew Shalett, president of The Sheldon-Claire Company, sponsor of the award, presents the plaque

Business

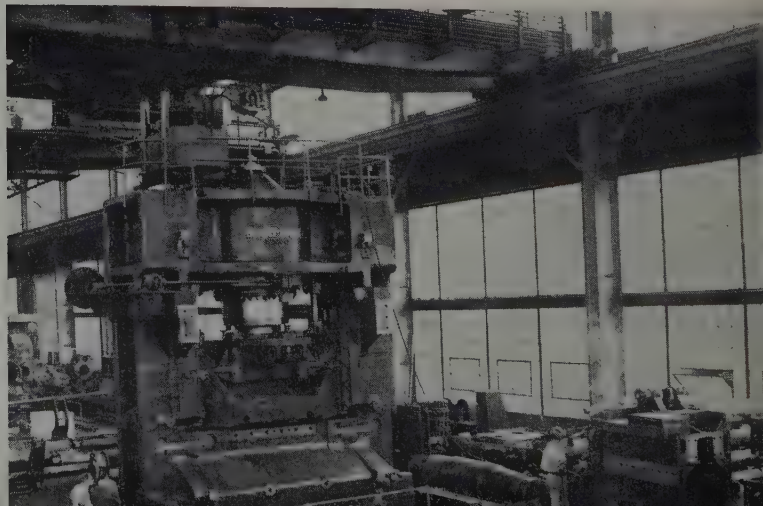


Queen Frederika of Greece and her daughter inspecting a sub-critical training reactor during visit to the Nuclear-Chicago factory. It will be shipped to Greece's new "Democritus" nuclear center. Guiding the tour were: Dr. O. Kenton Neville, technical director (at left); Board chairman James M. Phelan; and AEC commissioner John F. Floberg (right)



Stainless steel production reactors in the newly-built Steen Resin & Chemical Company plant in Chicago Heights. Steen is a subsidiary of United Wallpaper, Inc. This is United's third resin and chemical plant

Right: This three thousand-ton hydraulic shear will be installed in U. S. Steel Corporation's Gary Steel Works to cut hot slabs rolled in the new Universal slabbing mill now being erected. Designed by Blaw-Knox Company and built at the Company's East Chicago works, the shear has a knife pressure of 6 million pounds. Shown here on the Blaw-Knox erection floor, the shear is ready to be dismantled and shipped to U. S. Steel



Highlights

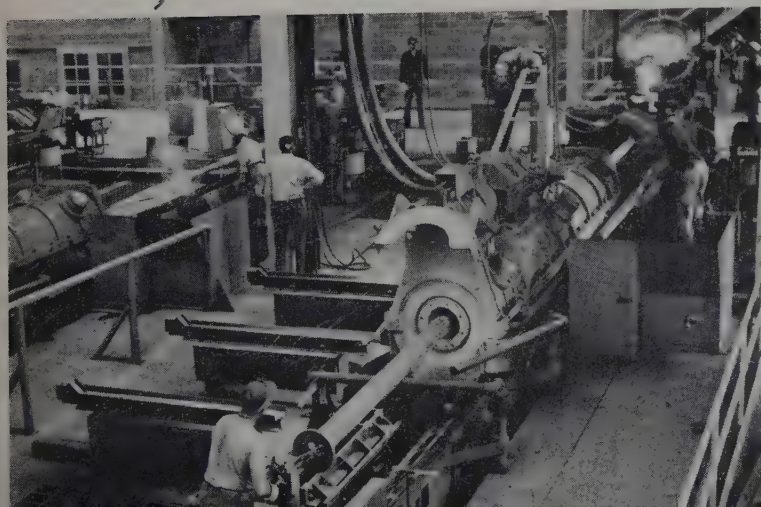
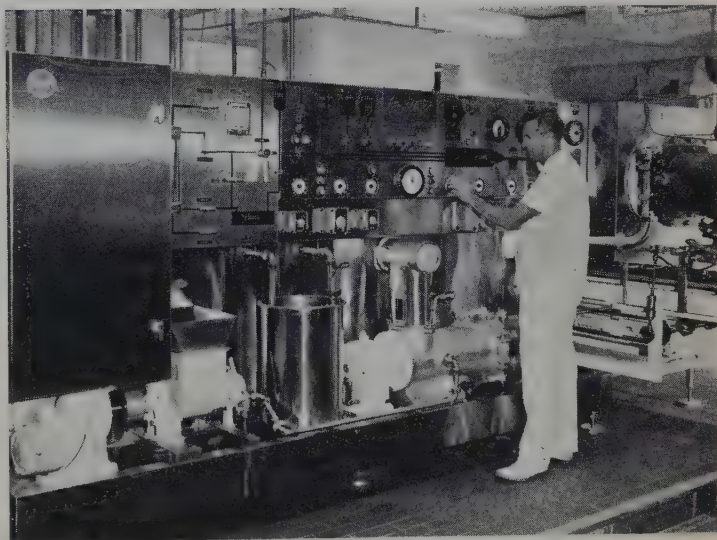


Trans World Airlines recently put into operation the first all-electronic coast-to-coast reservations system. Above, George V. Lambert, airline district sales manager of Chicago, activates the system while George Zimmerman, regional sales director of Teleregister Corporation, manufacturers of the electronics system, looks on



To signal the opening of the new \$4 million shopping center in Gary is the "signing of the official proclamation" announcing the opening. Making it "official" is (l. to r.) Mayor George Chacharis of Gary; Charles Glueck, developer of Tri-City Plaza; (top) James Finch, Walgreen Drug Company; and Willard W. Cole, president of Henry C. Lytton & Company

Right: The main "graphic control" panel of American Machine & Foundry Company's new automated bread dough making process. The flow of materials through the system which supplants the operations of three bakery departments can be controlled by one operator at this panel. The equipment has an hourly capacity of 4,000 to 6,000 pieces of bread dough



The heart of the pipe manufacturing process at the new Bensenville, Illinois plant of James B. Clow & Sons, Inc. is the high-speed casting machines. Centrifugal force forms the pipe as molten iron is poured into a spinning mold. One machine can make about 40 pipes an hour in six-inch diameter and 18-foot lengths

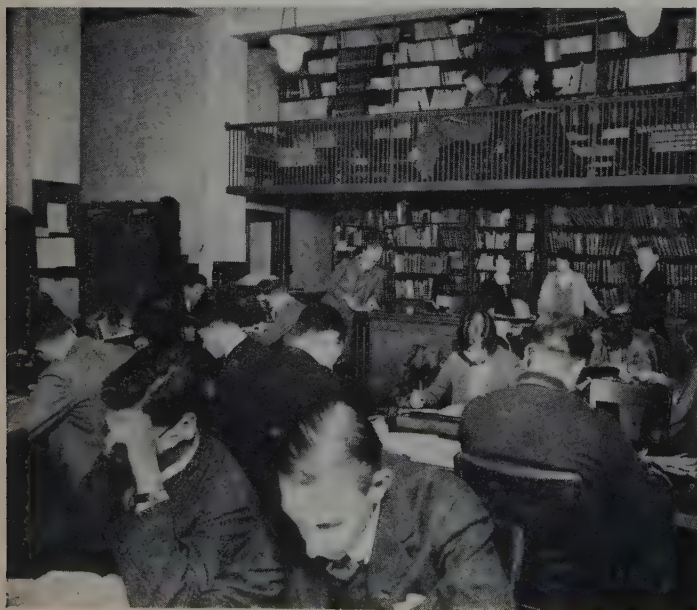


School of Commerce on Evanston Campus of Northwestern University



Rotunda — Northwestern University Building (Old Tremont House, 1914)

Commerce Library, Northwestern Evanston Campus, 1927



Milestones for

Northwestern and University of Chicago
celebrating their 50th anniversary



Office of Northwestern Dean, Willard E. Hotchkiss (1914)

“I AM very strongly of the opinion . . . that it is a great mistake for a young man who expects to enter a business career to spend his time and money taking a course in college.”

So wrote one of Chicago's most respected businessmen in a letter published in the *Chicago Record Herald*, August 16, 1908. He took issue with the newspaper's praise of the new School of Commerce opening that fall at Northwestern University. “Better Go to Work Young,” read the story's headline. Young men would be “spoiled,” feared this outspoken critic, “after going through such a school.”

Today, the executive roster of the company founded by this prominent businessman, like those of companies around the world, includes a goodly sprinkling of graduates of both of Chicago's longest-established professional business schools. This year marks the 50th and 60th anniversaries, respectively, of the schools of business at Northwestern and the University of Chicago.

Two Local Business Schools

Chicago schools of business
 and 60th anniversaries this year

By JUNE BLYTHE

Even as this salty seer predicted failure for the school and no "demand" for its graduates, other Chicago businessmen were pledging funds to guarantee the school's existence.

And a few miles to the south, the U. of C.'s College of Commerce and Politics, launched ten years prior to Northwestern's, had been raised to the rank of a University division by 1902. Chicago's business school shares the nation's "second oldest" honors with that of the University of California, at Berkeley, also started in 1898. The first was the Wharton School, at the University of Pennsylvania, founded in 1881.

Founders of Schools

An early and continuing partnership between the city's businessmen and scholars provided the auspices that made Chicago both host and laboratory for professional business training. Indeed, two friends — one a company president and the other a university educator — are regarded as the founders of the two schools.

The educator, J. Laurence Laughlin, chairman of the U. of C.'s department of political economy, had presented a plan for a School of Commerce and Industry to the University Senate as early as 1894, only two years after the University began.

Argued Laughlin, "While there are full schemes prepared for both medicine and law, no courses of study exist to train men directly for studying transportation, general business, insurance, journalism, diplomacy, and manufacturing."

Laughlin held that a good economist "must have a most thoroughly practical spirit," and had himself left Harvard University's faculty to serve as president of a Philadelphia insurance company before coming to Chicago. In 1898, he was authorized to form the new school, first known as the College of Commerce and

Politics, by organizing a curriculum from courses and faculty available throughout the University. The College did not receive an independent budget until 1913.

Laughlin's close friend was Joseph Schaffner, secretary-treasurer of Hart, Schaffner and Marx, who long

(Continued on page 35)



The University of Chicago's School of Business



Left to right: Deans of the University of Chicago's School of Business during the past 50 years — W. Allan Wallis, John E. Jeuck, William H. Spencer, Garfield V. Cox and Leon C. Marshall. Wallis is the current dean.

Economic Profile of Chicagoland

(Continued from page 17)

Chicago School of Business is part of this broad attempt to increase our understanding of the economy of metropolitan Chicago. We have tried to do three things. Basic data, now available for the past few years, have been extended back to 1940. These data, and other information from periodic censuses, have been translated into measures of total employment, production, income, and saving. All statistics cover the standard metropolitan area, and all are directly comparable to corresponding national statistics. Finally, this economic information has been analyzed in order to assess Chicago's dimensions as an economic entity, and to examine its performance since 1940.

Basic Questions

The basic questions one should ask about an economy are: What, and how much does it produce? What do its residents receive as personal income? How much do they spend and save, and in what form? Is the area, taken collectively, a net lender, or a net borrower; is it a net debtor, or a net creditor? How is the economy growing relative to the nation and how does it behave during business fluctuations?

Some of these questions can be answered more precisely than others, and some answers are really informed guesses. But without data, none of these questions can be answered at all.

Let me begin with production. The broadest measure available for national production is the Gross National Product. This represents the total output of goods and services measured at current market prices. The corresponding measure for Chicago is Gross Metropolitan Product. For the nation, this statistic can be measured in two ways. One way is to measure the total flow of expenditures, including expenditures for inventory accumulation, by which society acquires the goods and services produced. The second way is to measure the various shares paid to all elements which participate in production. For a region, gross product can be measured only in the second way, and then only relatively crudely.

During the postwar years, about 5.4 per cent of the gross national product has originated in Chicago. In 1955, gross metropolitan product was \$21 billion. This might be compared, for example, with the gross national product in 1955 of Italy, \$21.8 billion, or Canada, \$26.8 billion.

Not all of gross production is generated as income. Deductions must be made on account of indirect business taxes, capital consumption allowances (principally depreciation), and other minor factors. What remains after these deductions is income—and the total income produced, or generated, is another way of measuring output or production. Income produced in Chicago was \$17.1 billion in 1955, and this was 5.45 per cent of the total income produced in the nation—or national income, as it is called. Since only 3.68 per cent of the nation lived in Chicago, per capita production here was about 48 per cent higher than the national average.

The higher per capita output is the result of several factors. For one thing, a larger proportion of Chicago's population is employed—46.4 per cent as compared to 38.5 per cent in the nation. A higher rate of employment to population is typical of most of the major cities; however, according to the 1950 Census, Chicago had the highest ratio, even within the major metropolitan areas.

High Employment

This high employment rate is itself the result of three sub-factors:

(1) A higher proportion of the population here is in the economically active age groups—those between 15 and 65 years of age—65 per cent of Chicago's population is in these age groups vs. 60 per cent for the nation.

(2) A higher proportion of people in these age groups are in the active labor force—75 per cent in Chicago vs. 66 per cent in the nation. This higher participation rate prevails for both men and women, although it is more marked in the case of females.

Finally, (3) The rate at which the labor force is actually employed is

somewhat higher here, except during recessions.

The higher ratio of employment to population here would in itself make Chicago's output per capita about 21 per cent higher than the national average, even if the two economies were alike in all other respects. But, of course, the two economies are not alike in all other respects. The industry-mix in Chicago contains more of the relatively high-output industries and less of the relatively low-output industries. This mix-factor increases Chicago's per capita output a further ten per cent.

Larger Dollar Output

Also, each worker in any given industry here produces a larger dollar output than does his counterpart in the nation. For example, in 1955, value added per man-hour in manufacturing was 15 per cent higher here than the national average. For all industries, output per man-hour here averages 11 per cent above corresponding national levels. Clearly, some part of this represents higher physical output per man-hour due to better labor skills, better organization, and better equipment. But equally clearly, some part of it is due to the greater economic valuation society places on a given physical unit of output here, compared to elsewhere. For example, it would be hard to convince me that the physical productivity of baby-sitters per hour is higher here than in the south: yet, measured in dollar terms, it shows up higher.

Let me turn from income produced in Chicago to income received by Chicago residents. Not all income produced is received by individuals. Corporate taxes, retained earnings, and contributions to social insurance do not reach people as personal income. Nor is all personal income derived from current production. In addition it includes personal receipts of transfer payments—mainly social insurance benefits and veterans' bonuses; and net interest payments by the government, which, in our accounting system, are not counted as part of income produced.

For Chicago there are two other factors which must be taken into account in computing personal income. Some personal income produced here accrues to nonresidents who

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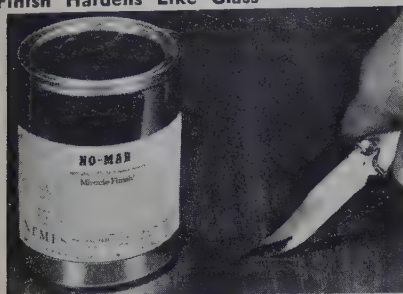
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own property rights in Chicago. Also, some Chicagoans own property rights to income produced elsewhere, and receive income from these in the form of rents, interest, or dividends. Taking all these adjustments into account, total personal income received by Chicago residents in 1955 was \$15.5 billion — or 5.05 per cent of total personal income received in the nation.

If you remember, Chicago's share of all income produced was 5.45 per cent. The fact that it received only 5.05 per cent of income received could be the result of any one of several things. One factor could be that Chicago generates a very high share of income of the kind that does not go to persons — corporate taxes, retained earnings, and social insurance taxes. The data show that this is the case.

A second reason could be that Chicago residents receive a relatively low share of personal income from transfer payments. This explanation is also justified. In 1955, Chicago residents received only 3.3 per cent of total transfer receipts in the nation.

A third factor could be that the outflow of income payments to non-Chicagoans who own property rights in Chicago production is larger than the inflow of income payments to Chicagoans who own property rights on outside production. This kind of information is directly available for a nation but we have no balance sheet on export-import data for a region. At best, it can be inferred indirectly and without too much precision.

Net Debtor In 1940

The data show that Chicago was clearly a net debtor in 1940 — with a net outflow of about 15 per cent of the personal property income generated here. Since 1940, Chicago appears to have been a net lender, or repayer. By 1950 the net outflow of personal property income was down to zero, and since then continued net lending has made Chicago a net creditor.

Although property income per capita is somewhat higher than the national average, Chicago does not rank high in property income received if this is measured relative either to its total income, or relative to property income received in other states. In 1955, about 18 states with

42 per cent of total U. S. population derived a bigger percentage of their income from property income than did Chicago. And five states with 15 per cent of total U. S. population had higher per capita receipts of property income than did Chicago. In contrast, Chicago ranked higher than all states in per capita income derived from current production.

After-Tax Income

On their \$15.5 billion of personal income in 1955, Chicagoans paid nearly \$2 billion in direct personal taxes. Against our 5.05 per cent share of personal income, our share of federal income taxes was 5.76 per cent. However, direct local taxes are much lower in Illinois than in other states. Chicago's after-tax income was \$13.5 billion, or 5.00 per cent of the U. S. total — somewhat lower than our pre-tax share, and considerably lower than our share in total output. However, on a per capita basis, disposable income here was still some 35 per cent higher than the national average.

Consumer expenditures on goods and services were also higher than average — but not to the same extent as income. Chicago spent a bigger proportion of its income on services than the nation did — about 37 per cent as against 34.4 per cent, but it spent a smaller proportion on goods — 55 per cent as against 60 per cent for the nation. Chicago saved a bigger proportion of its income. Since per capita income was 35 per cent above the national average, and the saving rate was 40 per cent higher, per capita saving here was almost double the national figure — in other words, about seven per cent of all personal saving in 1955 originated in Chicago.

Personal saving is simply the difference between disposable personal income and consumer expenditures. It is also useful to measure saving through an alternative approach — namely, by counting selected assets accumulated by individuals. Measured this way, Chicago individuals also appear to have provided about seven per cent of national individual saving in 1955.

In addition to providing a check on the first estimate of saving, the latter approach also gives us a picture of the various forms that saving takes, and this provides one basis for evaluating financial institu-

tions in Chicago. Both the structure of financial assets and the structure of institutions here differs from the national pattern. It is impossible to cover these findings in any detail, but very briefly, they are as follows:

Individual holdings of demand deposits is conspicuously low in Chicago, which holds only about three per cent of the national total. As the cost of holding one's assets in this form is about the same here as elsewhere, the reason for the very low ratio of deposit holdings to income must lie in one or both of two explanations: Chicagoans are relatively unsophisticated and therefore have a greater preference for currency payments rather than check payments; or Chicagoans are extremely sophisticated and therefore manage with smaller cash balances.

Branch Banking

The fact that Chicago probably leads the country in the number of currency exchanges per capita leads me to accept the first explanation. This in turn must be explained. It could be due to the fact that the banking crises of the 1930's left a bigger mark on Chicagoans. It could be due to the fact that our laws against branch banking have prevented the growth of adequate banking offices in those areas in which a growing share of income is being received. As Chicago is the only major metropolis in which branch banking is forbidden, this matter certainly deserves to be explored. There are at least two good reasons for concern.

If the low ratio of individual deposits to income here is due to the substitution of currency for checking accounts, and if this is due to inadequate local banking facilities, curing this situation should lead to an inflow of about \$500 million of currency to Chicago banks. This will provide enough reserves to support an increase of about \$2 billion in their total lending ability.

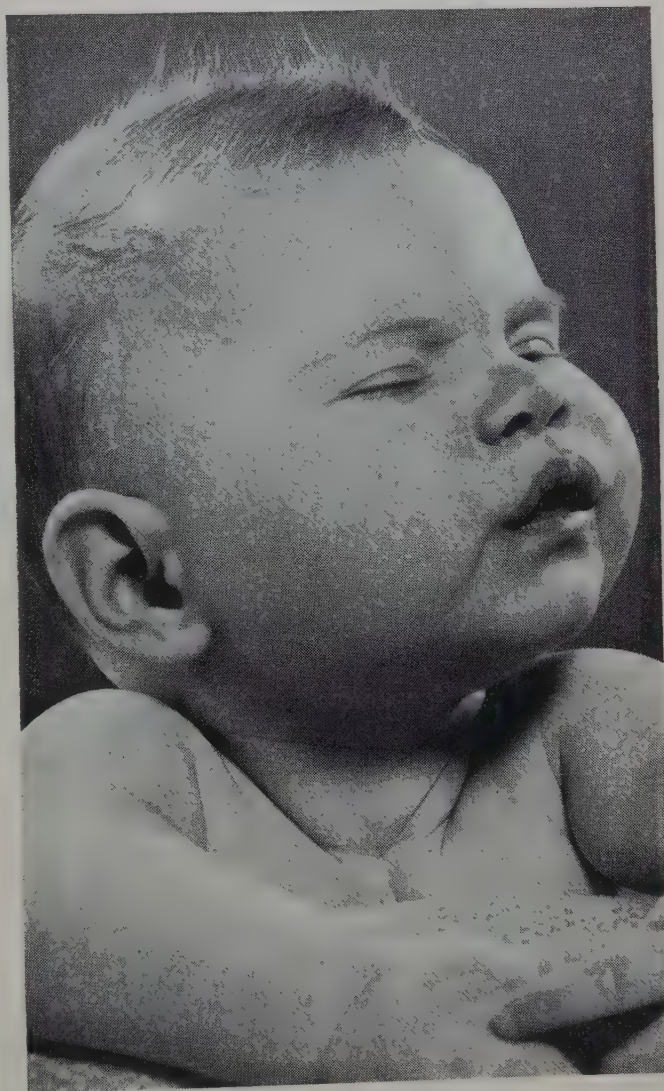
A second reason for concern is the very slow relative growth of our six major loop banks. Since 1949, their total deposits have grown about 11 per cent. The 100 largest banks in the nation grew 42 per cent in this period—and major banks in other cities grew as follows: San Francisco 62 per cent, Los Angeles 68 per cent, New York 26 per cent, Detroit 32 per cent, and Cleveland 48 per cent.

Absolute size in banking is important because the size of loans to any one borrower is limited by a bank's total assets and total capital. For example, in 1955, Chicago's banks were net lenders (of over \$1 billion) to businesses outside Chicago. At the same time, Chicago businesses were borrowing about \$400 million from New York banks—virtually all of this accounted for by large loans.

So much for demand deposits. The lack of branch banking does not seem to have had any obvious effect

on the growth of time and saving deposits in Chicago. Although comparisons are difficult because there are no mutual savings banks in Chicago, the evidence shows that Chicago's share of total saving deposits at banks has almost kept pace with the level of saving originating here. However, this form of saving has fallen off in the past four years.

Saving and loan associations here have grown extremely rapidly. In 1945, Chicagoans owned 5.5 per cent of all share capital in the nation,



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and by 1956, this share was up to nearly 7.5 per cent. Chicago's share in the growth of this asset has averaged eight per cent over the postwar decade.

The fourth major form of saving intermediary is life insurance. Chicagoans appear to own about six per cent of total U. S. policy reserves. This share has been fairly constant since the war. The bulk of these holdings, however, are in life insurance companies outside Chicago. Assets of Chicago life companies, although growing, still amount

to only about one per cent of the U. S. total. For some reason, in spite of an early start, this city has not attracted life insurance headquarters.

A fifth major institution is the mutual investment company. There are no data on what Chicagoans hold in this rapidly growing intermediary—but assets of Chicago investment companies account for less than two per cent of the national total. Thus, except for saving and loan associations, the major form of financial institutions in Chicago

do not appear to be keeping pace with Chicagoans.

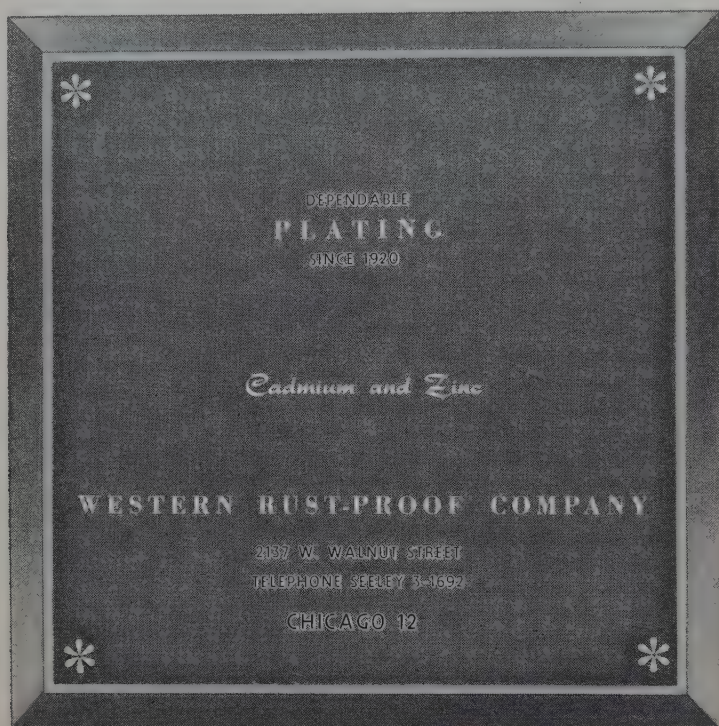
Chicago is headquarters to a very large share of fraternal insurance organizations—about 11 per cent in terms of total assets. Chicago leads all cities in postal deposits and Chicagoans hold about ten per cent of all postal deposits in the nation. Chicago credit unions had nine per cent of credit union assets in 1945, and although this is now down to about 7.5 per cent, Chicago is still a leading city in credit union assets. Finally, although official data are lacking, Chicago must be the nation's leading center for currency exchanges.

A common misconception about Chicago's economy is that our industrial diversity makes us less vulnerable to recessions. A statistic frequently advanced in support of this is the relatively low unemployment rate here during recessions. Diversity is very much a matter of definition. It is true that Chicago does not have the same degree of dependence on any one industry that we find in New York, Detroit, or Pittsburgh. But we do depend heavily and increasingly on a group of several industries which have been behaving collectively like a single industry during recent recessions. I refer to the metal-working industries.

Recession Employment

Employment here falls far more during recessions than it does in the nation. If we exclude Detroit, Pittsburgh, and Buffalo and Cleveland it fell more sharply here during the recent recession than in any other major area. Approximately the same thing happened in the 1953-54 downturn.

The fact that Chicago unemployment does not fully reflect the decline in activity is due to the fact that people here tend to withdraw from the labor force during recessions. Thus, the full fall in employment does not show up as a rise in unemployment. What happens to these people, I do not know. I guess that some leave Chicago. For the nation as a whole, the labor force generally rises during a recession, and this rise plus the fall in employment shows up as unemployment. As a result of these factors, the unemployment data make Chicago look more recession resistant than it is.



There is also a misconception about Chicago's rate of growth. We have been told so often that Chicago is the fastest growing area in the nation that some of us have begun to believe it. This is simply not true. As far as population is concerned, I am willing to bet that Los Angeles will replace Chicago as the second metropolis of the nation in the coming 1960 census.

One statistic that is frequently cited in support of Chicago's industrial growth is the value of large industrial contract awards placed here relative to other metropolitan areas. It is quite true that Chicago has led all other cities in this particular measure of plant expansion. However, large awards — those over \$100,000 — are only a small part of total industrial and commercial expansion. For example, in 1956, total awards in Chicago were over half a billion dollars. This exceeded the combined awards for the 25 largest metropolitan areas in the nation, excluding Baltimore. Baltimore had \$200 million in these contracts in 1956 — or more than the combined total for Los Angeles, San Francisco, Detroit, New York, and Pittsburgh.

These figures can be misleading unless one remembers three things:

1. A great deal of heavy construction is taking place outside of the large metropolitan areas,

2. The total volume of heavy construction represents less than seven per cent of total business investment in plant and equipment, and

3. Large awards are heavily concentrated in the primary metals industries — especially steel.

If we look at total plant and equipment spending and total employment, it is fairly clear that Chicago's share in most forms of manufacturing, except primary metals, is declining gradually but steadily. This is not necessarily a bad thing, but it does imply that we ought to do some rethinking about our basic policies with respect to people and industries. While no set policy exists, it is reasonable to say that as a city, our tendency has been to resist the exodus of existing types of industries, and to welcome the inflow of new people. It might make more sense for us to resist the exodus of resident people, who have accumulated capital here, and to encourage the inflow of new types of industry.

Japan—Customer and Competitor

(Continued from page 19)

and insufficient food, Japan started on the road back. For a nation of 91 million people which must import 20 per cent of her food and virtually all of her raw materials the outlook was grim.

Where does Japan stand today? Her cities and factories are re-built. Production is $2\frac{1}{2}$ times prewar. Merchant shipping tonnage is about 70 per cent of prewar but ships are faster, so that actual capacity is nearly as great. Population is increasing and so is the standard of living.

With its present state of overpopulation, the high Japanese birth rate is a matter of government concern. An official educational campaign to regulate the birth rate had some success until recently when the rate of births again started to climb. If unchecked, this will add to the island nation's long range problems. Great as their progress has been since 1945 the gross national production of the 91 million people of Japan is only \$28 billion. By comparison, the gross production of the

6.5 million people in the Chicago metropolitan area is almost \$21 billion.

Nowhere in Japan are the physical scars of war visible. The people look healthy, happy, prosperous and friendly. Commerce and industry has been enjoying its greatest boom years. In short the Japanese never had it so good. But they are very worried about the future for several reasons.

First, Japan's traditional trading areas in China and Siberia are now closed to her along with their resources of raw materials for industry — particularly coking coal and iron ore. Second, her markets for exports have changed, with new Soviet inspired competition and resistance to Japanese goods in the South East Asian countries as an aftermath of Japanese aggression. Third, instead of importing raw materials from the underdeveloped countries and re-exporting in the form of finished goods to the same areas, Japan now buys from nations that are also her principal competi-

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tors. For example, Japan buys coking coal from Kentucky, iron ore from Utah, cotton from California, soybeans from Illinois and grain from the Midwest. These materials are shipped half way around the world to Japan for conversion into finished products, which if not absolutely needed for home consumption are exported, again to the other side of the world. To be competitive in world markets with such high raw material and shipping costs indicates that Japan must have some compensatory advantages, and she does.

Labor Force

Her greatest asset is a highly skilled and energetic labor force. Japan has the highest rate of literacy in the world—99 per cent. An excess supply of labor results in low wages. A top Japanese industrial worker earns about \$100 per month. This low wage rate operating in some of the world's newest, best equipped industrial plants produces low costs where labor input is high and raw material content relatively low. While Japan is a high cost steel

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Iron & Steel Mill Products	\$ 241.1
Raw Cotton & Linters	217.3
Industrial Machinery	121.0
Grains	113.0
Soybeans & Other Oilseeds	63.0
Petroleum & Products	59.1
Bituminous Coal	53.3
Copper & Products	49.4
Chemical Specialties	36.7
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Electrical Machinery	12.9
Office Machines	11.8
Iron Ore	10.5
Industrial Chemicals	10.4
Dairy Products	9.8
Rubber & Manufactures	8.5
Synthetic Fibers & Manufactures	8.2
Automobiles & Parts	8.1
Other Categories of Products	102.5
Total	\$1,221.4

producer she has done well in shipbuilding because of the high labor input in ships as compared to steel. Japan is now a leading manufacturer of high quality cameras and optical equipment. Her electronic industry is booming as is almost every industry where highly skilled labor is an important cost factor.

While Japan's success in certain industries with particular products indicates very competitive costs with the rest of the world, overall her productivity is still low by American standards. In steel and heavy machinery American output per worker is three to four times greater than Japanese. The American worker can be paid three to four times the Japanese scale, therefore, and still be competitive. A principal reason for this situation is overemployment in Japanese industry. Labor is so cheap and unemployment such a problem that simply to make jobs employers use labor lavishly, particularly indirect labor. Other paternalism on the part of Japanese employers in the form of a great variety of fringe benefits, often amounting to as much as 40 per cent of payroll, adds further to labor costs.

In recent years labor unions have found new strength and are now adding to the woes of Japanese industrialists by fighting increased productivity programs and making increased demands for wages and more fringe benefits. As in the U. S. A., Japanese unions are politically active and are seeking to fulfill their demands through legislation. Under the influence of American union leaders during the period of American occupation, unions were given Wagner Act type of immunities without the subsequent limitations of Taft-Hartley legislation.

Inflationary Pressures

Spiralling labor costs without comparable gains in productivity are already contributing to inflationary pressures in Japan. This presents a major threat to Japan's ability to balance her imports with exports and can precipitate a crisis because of her dependence upon imported raw materials for industry and food for her population.

The only way for Japan to increase her standard of living is to have a favorable balance of trade. The best way for Japan to achieve this favorable trade balance is through exports to the U. S. A., not only because we represent the largest potential market but also because in many ways we represent the only market. America's policy of economic aid to the free, underdeveloped Southeast Asian countries is enabling them to become self-sufficient in items formerly imported

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from Japan. Russia and communist China are also dumping and making extremely favorable trade agreements with many of Japan's traditional customers creating impossible competition for Japan.

Suddenly, therefore, the U. S. A. has become by far Japan's best customer, and Japan has become Uncle Sam's best customer after Canada. About 20 per cent of Japan's exports go to the U. S. A. and about one-third of her imports are from the U. S. A. Japan, however, through normal trade channels is buying twice as much from the U. S. A. as are we from Japan. In 1957, America's exports to Japan were \$1,221,400,000. America's imports from Japan were only \$600,471,000.

Chicago and Illinois exports to Japan in 1957 amounted to more than \$95 million and were exceeded slightly only by Ohio and Texas.

Balance of Trade

Over the past five years the U. S. A. has enjoyed a tremendously favorable balance of trade with Japan through commercial trade channels. This has been possible in part because of other factors that are not generally known — expenditures for our armed forces in Japan and procurement in Japan for our aid programs in the underdeveloped countries in the Far East. Through these two means over the past five years Japan was a net earner of \$420 million in its dealings with the U. S. A. Our special expenditures in Japan averaging \$634 million annually since 1951 cannot be considered a permanent source of dollar earnings.

To offset the decline due to the evacuation of American military forces and possible curtailment of government off shore procurement for other purposes, it is essential that Japan earn more dollars commercially through exports to the U. S. A. This she is now attempting to do in an orderly manner to create a minimum impact on United States industry. Through Japanese industrial and trade associations voluntary efforts are now being made to limit exports to the U. S. A. on certain products and also to respect American designs and copyrights. For example, they now limit exports of stainless steel flatware and certain textile items to the U. S. A.

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product designs are now displayed at trade centers so that Japanese manufacturers and exporters will not fall prey to unscrupulous American importers who encourage the Japanese to make cheap imitations of American products for export to the U. S. A. The Japanese are not entirely to blame for violations of sound, respectable merchandising of Japanese products in the U. S. A. and are voluntarily taking steps to correct those malpractices that have hurt their reputation in the past. In this program they are being aided

by trade missions from both Japan and the U. S. A. visiting each other's country. The American Embassy in Japan has also been most helpful along with the various American management teams that have visited Japan to explain the American way of doing business. As a result of all these exchange programs the Japanese are now concentrating on quality rather than price and are gradually putting more emphasis on luxury exports to the United States where their own art, culture and design are featured to create a pro-

prietary market for Japanese products rather than rely on cheap imitations of American articles.

For the long pull Japan faces very serious foreign trade problems which she must solve successfully if she is to survive in the free world. Most important of these is to balance her trade with the U. S. A. through normal commercial channels. This is also important to the U. S. A. for two reasons. First, Japan is a large customer for American exports, particularly food surpluses. This cannot continue without the dollar exchange that comes from exports to us. Second, Japan is the keystone in the defense system of the free world in the Far East. Unless Japan can achieve economic viability, she may be forced into the communist orbit for essential trade reasons. Before that happened the American government would undoubtedly give Japan's economy artificial stimulants of all kinds through aid programs that would not cure her basic problems but would place a heavy burden upon the American taxpayer. The rapidly expanding trade between the two countries has been accompanied by friction on both sides.

The encouraging progress presently being made, however, through two-way trade indicates that trade can eliminate the future need for aid if both the Japanese and American consumers and businessmen recognize that increasing trade is in their own, enlightened, self-interest.



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Here, There and Everywhere

(Continued from page 12)

rose to a new high of \$17.7 billion in 1957, up about four per cent over the year before, according to the U. S. Department of Commerce. In recent years this annual bill for upkeep has been the equivalent of more than a third of the nation's outlays for new construction, thus providing stimulus to building.

• **Sales Tax Records**—A record was set in fiscal 1958 as 30 states found that sales tax collections were their greatest single source of revenue, according to Commerce Clearing House. The new record reflected rate increases and broader coverage in five states during the year ended June 30, 1958.



INVESTMENTS in industrial plant facilities in the Chicago Metropolitan Area in the month of November amounted to \$13,212,000 on projects including new plant construction, construction of expansions to existing plants and warehouses, purchases of land for future building, and acquisition of existing buildings for industrial purposes. This figure compares with \$15,625,000 in October and \$16,386,000 in November of 1957. The total for the first eleven months of 1958 in dollars invested in the types of projects listed above amounted to \$174,170,000 compared with \$238,109,000 for the same period in 1957. Two hundred and seventy-two projects were announced in the first eleven months of 1958 as compared with 311 for the same period in 1957.

- **Libby, McNeill and Libby**, which has had its principal plant located in the Chicago Stock Yards for three-quarters of a century, has purchased a 55 acre tract of land on Ashland Avenue between 115th and 119th streets, adjacent to the Rock Island Railroad. The company's canned meat operations will be moved to a new building containing 600,000 square feet of floor area to be started at the new site next spring. The company was founded in 1868 and located at 16th and State streets. It moved its operations to the Stock Yards in 1880. A portion of the new plant will be devoted to the manufacturing of cans for the meat products. The new site is adjacent to a new elevated highway which will link the plant to the expressways and tollroad systems and to the Cal-Sag Channel and the Chicago Port in Lake Calumet. The company does business in 95 nations throughout the world, and shipping by all means of transportation was an incentive to move to the chosen site. Libby's

present operation in the Stock Yards employs over 600 workers.

- **AnSCO Division of General Aniline and Film Corporation**, 247 E. Ontario street, is erecting a 40,000 square foot structure on the southwest corner of Touhy and Tripp avenues, Lincolnwood. The new facility will be used for warehousing and mid-west distribution purposes and will represent the ultimate in functional design for storing and handling of sensitized photographic material manufactured by the company. Bennett and Kahnweiler, broker; Friedman Alschuler and Sincere, architect; H. Hattis Engineering Company, engineer.

- **Aurora Pump Company** will add 25,000 square feet of floor area to its plant located in Aurora for increased production and storage space. Construction of the addition will be started shortly after the first of the year. John Chapple and Company, general contractor.

- **Grieshaber Manufacturing Company**, 4501 W. Armitage avenue, is erecting a new 21,000 square foot plant at 7020 W. Cullom avenue, Norridge. The new plant will be operated as a branch unit and the company will retain its present quarters. Estimated completion date at the new location will be early spring of 1959. The company manufactures surgical instruments. Keys and Hes-trup, architect and engineer.

- **H. G. Prizant and Company**, manufacturer of heating, ventilating, air conditioning and sheet metal fabricating, located at 2506 N. Clark street, is erecting a new 20,000 square foot plant at 3645 N. Talman avenue to which the company will move its entire operations upon completion. The architect and engineer for the

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project is Sidney Morris. Crane Construction Company, general contractor.

• **Gotham Industries, Inc.**, with offices in the Merchandise Mart and with manufacturing and warehouse facilities located in several places in the Chicago area, has acquired a 103,000 square foot building at 544 N. Orleans street which it will use for manufacturing plastic household products and toys. Lustig Goode Realty Company and Winston and Company, brokers.

• **Youngstown Kitchens Division** of American Radiator and Standard Sanitary Corporation in Blue Island has acquired a 20,000 square foot building at 3334 W. 47th place for use as a warehouse. G. R. Bailey and Company and J. J. Harrington and Company, brokers.

• **C. E. Niehoff and Company**, 4925 W. Lawrence avenue, is adding 20,000 square feet of floor area to its plant for use of its engineering section. The firm manufactures automotive electrical parts. A. E. Benson, architect, and Ockerlund Construction Company, general contractor.

• **General Refractories Company**, Gary, is expanding its plant with the addition of 18,000 square feet of floor area which will be partially used for production and partially for the storage of magnesite. Architect on the project is Westing Pence and the general contractor is John F. Chapple and Company.

• **Institutional Products Corporation** of New York has acquired a 10,000 square foot building at 6511 Lincoln avenue, Lincolnwood, for use as a warehouse and distribution center for its surgical supplies. Bennett and Kahnweiler, broker.

• **Inter-State Steel Company**, 2100 Greenwood avenue, Evanston, has acquired 11½ acres of land in Des Plaines, north of O'Hare Field, where it will construct a new plant some time in 1959.

• **Metal Box and Cabinet Corporation**, 4730 W. Lake street, has enlarged its manufacturing floor area by 28,000 square feet by the acquisition of an adjacent building at 4700 W. Lake. This is the fifth major ex-

pansion of this company since its organization in 1928.

• **Perk Dog Food Company**, 520 N. Dearborn street, is adding 19,000 square feet of floor space to its plant. Architect for the project is F. W. Musser and general contractor is Northern Builders.

• **Wittek Manufacturing Company**, 4305 W. 24th Place, is adding 12,000 square feet of storage space to its plant in which it manufactures hose clamps. T. G. Van Gunten, architect and engineer.

• **Midland Screw Corporation**, 3638 S. Kedzie avenue, has acquired a branch plant of 40,000 square feet located at 3223 W. 36th street which the company will use as a warehouse. The company manufactures screws and sheet metal products. Van C. Argiris and Company, broker.

• **Schoolco Division of Configured Tube Products Company**, Bellwood, has acquired 38,000 square feet in a recently completed building at 25th avenue and Maywood drive in Bellwood. The company will use this space for assembly and storage of tubular steel furniture. Farr, Chinnock and Sampson, broker.

• **The Barrington Press Inc.**, Barrington, has added a new bindery containing 7,000 square feet of floor area to its plant. Ragnar Benson Corporation, general contractor.

• **Oscar C. Rixson Company**, manufacturer of door closing devices and builders hardware, is adding 5,000 square feet of floor space to its plant at 9100 Belmont avenue, Franklin Park. Architect for the project is Olsen and Urbain and Sherman Olson, Inc., general contractor.

• **Western Automotive Company**, 2300 S. Parkway, is adding 5,000 square feet of production space to its plant. The company produces automotive and truck parts and supplies. S. C. Blumenthal, architect; Parker-Schwan Company, Inc., general contractor.

• **D. F. Keller Company**, 3005 W. Franklin boulevard, has acquired a 28,000 square foot building at 404 N. Sacramento boulevard. This printing firm is using the newly ac-

quired space for storage purposes. G. R. Bailey and Company, broker.

• **Vend-O-Matic Company**, 2533 N. Sacramento avenue, has acquired a 20,000 square foot building at 4218 N. Elston avenue to which the company will move its offices and shop facilities.

Business Schools

(Continued from page 23)

had pondered the need for higher education geared to business. Schaffner determined, as a starting point, to offer prizes for economic essays and thus stimulate college research and investigation into the business world.

In 1904, the first Hart, Schaffner and Marx prizes were announced, with Laughlin as chairman of the contest committee. The handsome awards, ranging up to \$1,000, and virtual assurance of publication, brought the desired results. Winning studies explored such subjects as railway rates, wages and valuation; taxation of land value; the 1893 panic; industrial education; and several specific industries.

One of the first winners, the Wharton School's brilliant and personable Earl Dean Howard, joined Northwestern's economics staff in 1907, and that same fall was asked by a group of Chicago businessmen to lead a weekly, informal evening discussion. Organized by Arch W. Shaw, president of A. W. Shaw Company, the group met for dinner at the old Union Restaurant and then adjourned to the historic Tremont House for lecture and discussion.

At the same time, the Illinois Society of Certified Public Accountants had expressed its eagerness to promote the systematic teaching of accountancy. For the second, or spring semester, a formal accounting course was set up, taught by one of the city's leading accountants, Seymour Walton, as well as a formal course in finance.

Northwestern's economics faculty had been pressing for an evening business school in the Loop, and Howard's and Walton's courses opened the way. Schaffner invited several of the interested parties to a luncheon, where he revealed his own interest in the project and willingness to support it.

By the spring of 1908, a Board of

Guarantors was formed to underwrite a \$5,000 fund for the first three years' operation. Schaffner contributed \$1,000; the Illinois Society of Certified Public Accountants, \$1,500; and the Chicago Association of Commerce acted as the focal point for securing 60 individual guarantors for the balance.

That autumn, with 44 students, a staff of eight, and appropriate fanfare, the School of Commerce was launched on the second floor of the Tremont House, with Willard E. Hotchkiss as dean. It soon disproved the dour prophecies of some business critics and a few fellow-academicians. In four years, registration jumped to 503 students. By 1926, the school outgrew Tremont House and moved to Wieboldt Hall, where night courses, the graduate schools


of business and hospital administration, and the Institute for Management are housed today.

The school has granted almost 12,000 degrees, 2,500 of them for graduate work. In addition, 652 executives from 206 companies have attended 18 four-week sessions of the Institute for Management since the first such program in 1951.

At the University of Chicago's business school, the early years were devoted to developing a curriculum. It must be remembered that at the outset no business textbooks existed and published materials of any kind on business were scanty.

One of the major contributions of Laughlin, a vigorous citizen as well as an educator, was the student seminar. Students were required to investigate practical problems, and

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Chicago offered the world's best laboratory for this kind of first-hand research into a variety of businesses and industries.

The city's unparalleled growth has been told elsewhere and often. But a few examples will show how its burgeoning economy at once provided the study materials and created the demand for professional business training around the turn of the century.

The Union Stockyards had been organized in 1865, and Chicago already was "Packingtown" to the world. Standard Oil of Indiana had been formed in 1890; Inland Steel in 1893; United States Steel in 1901. The city held undisputed transport leadership; its financial community had grown strong; it was already a leader in wholesale and retail trade.

Broad Education

Yet Laughlin never permitted the business school excessive dependence on the "case study," or to aim at narrow vocational goals. He set the school firmly in the direction of broad education, from which it has never deviated. Its 1902 Circular of Information said:

"The youth who intend to go from the high school directly into the countingroom, or the shop, are advised that they would be better businessmen if they should receive thorough training in the principles which underlie their respective occupations. The purely technical courses of mechanics and engineering given in schools of technology will here be supplemented by those bearing on the economic, financial, and political sides of their professions."

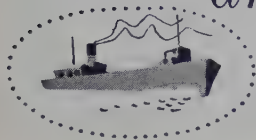
The Circular predicted better qualification for "positions of leadership and responsibility" and easier understanding of business: "technicalities" for those whose minds were thus made "flexible and acute."

In 1909, Leon Carroll Marshall was appointed dean of the school, then called the College of Commerce and Administration. In 1916, Hobart Williams, a Chicago-born philanthropist, gave \$2 million in real estate to the business school. Freed from severe budget problems, Marshall built an outstanding faculty and developed his famous "functional" curriculum.

Marshall undertook a thorough

(Continued on page 38)

Transportation and Traffic



IN A BRIEF filed with the Interstate Commerce Commission, six barge lines charged that the "death knell of water transportation on our inland waterways has been sounded" if the railroads are permitted to make rate reductions at will "as they apparently feel is their right under the 1958 act." The brief was submitted in a case involving proposed reductions in rates on printing paper from St. Francisville, La. to Chicago, filed by the Illinois Central Railroad to become effective June 7, 1958. On protest by the Waterways Freight Bureau, the commission suspended the tariffs until February 8, 1959, by order in I. & S. No. 6945, Paper-St. Francisville, La. to Chicago. The six barge lines, American Commercial Barge Line Co.; Federal Barge Lines, Inc.; John I. Hay Co.; A. L. Mechling Barge Lines, Inc.; Mississippi Valley Barge Line Co.; and the Union Barge Line Co., said in their brief: "This case is the first one of importance, involving interagency competition to come before the commission since the transportation act of 1958 was enacted into law. It is protestants' firm belief that respondents place a warped interpretation on the new law, which if followed literally by the commission in arriving at its decision in this and in future cases, the barging industry is doomed to slow death." The Illinois Central in its brief referred to a recent proposed report of a commission examiner recommending approval of reduced joint barge-motor rates on sugar over objections of the railroads and stated: "The position of the barge line in the Sugar case is exactly the same as that of the railroads under the 1958 amendment to the Interstate Commerce Act. That position is simply that the railroads are free to make competitive rates as long as such rates are compensatory and

nondiscriminatory. The railroads are no longer required to maintain an artificially high rate level merely to protect the barge lines."

• **I. C. C. Authorizes Increase in Express Rates and Charges:** The Interstate Commerce Commission, by report and order in Ex Parte No. 210, Increased Express Rates and Charges, 1957, authorized the Railway Express Agency, Inc. to increase rates and charges up to 15 per cent, with certain exceptions, effective November 11. For class rated traffic, the commission approved a 15 per cent increase, except on live bees, Florida pompons, flowers from other origins, and merchandise moving from retail stores to customers. On less carload commodity rated traffic, the commission authorized a 15 per cent boost, except on fresh fruit originating in Florida, Texas, California and other western states; gladioli from Florida; fresh fish and other seafood; cantaloupes from Pecos, Texas; celery from Michigan; and merchandise traffic now moving at incentive or quantity rates. A five per cent increase was authorized on movements of watercress from origins in West Virginia and Alabama. The proposed 15 per cent increase on carload traffic was disapproved. The commission found no justification for the increase sought in the \$2.01 minimum charge on traffic moving from, to and within areas other than Eastern territory, or in the 15 per cent higher minimum charge applicable within Eastern territory.

• **Deepening of Calumet Harbor** Recommended by Army Engineers: A report favorable to deepening the Calumet Harbor has been made by the District Engineer at Chicago and the Division Engineer, North Central Division, U. S. Army, according



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to a notice from Major General Louis J. Rumaggi, Division Engineer. The reporting officers recommend that the existing project at Calumet Harbor be modified to provide for:

1. Increasing the authorized project depth in the approach channel from 28 to 29 feet;

2. Increasing the authorized project depth in the outer harbor from 26 to 28 feet; and

3. Increasing the authorized project depth in the river entrance channel from 26 to 27 feet up to, but not through, the Elgin, Joliet and Eastern Ry. bridge.

The estimated cost of the recommended work to the United States is \$5,240,000 for new work with no increase in the annual cost of maintenance. The recommendations will now be referred to the Board of Engineers for Rivers and Harbors in Washington, D. C. The board in its review of the interim report will give full consideration to the feasibility of the project, the estimated cost of construction, and the annual benefits.

• **Sinclair Weeks Resigns as Secretary of Commerce:** Sinclair Weeks resigned as Secretary of Commerce, effective November 10. President Eisenhower has named Lewis L. Strauss, former chairman of the Atomic Energy Commission to replace Mr. Weeks. This is a recess appointment which must be confirmed by the Senate when it reconvenes in January. In his letter of resignation to the President, Mr. Weeks said: "I do this with great reluctance and only because of pressing business, personal and family considerations, which seem to me to make it imperative that I return to Boston and to my interests there." In accepting the resignation, President Eisenhower told Mr. Weeks that he should take particular pride in his role in the vast highway program, the successful reciprocal trade legislation, the government's aid to small business, the opening of the St. Lawrence Seaway, and the expanded ship building program now under way.

• **Examiner's Report in Passenger Train Deficits Case Termed "Unfair":** The predictions of Interstate Commerce Commission Examiner Howard Hosmer in his report on an

investigation into passenger train deficits have been called "unwarranted" and "unfair" by the Railway Progress Institute. The examiner forecast that railroad parlor and sleeping car service will become extinct in seven years and passenger coach service in 12 years. In its exceptions to the report the institute said that while the railroad passenger problem does not give cause for rejoicing or complacency "neither does it justify the exhortations to cease experimenting, or the implied predictions of inevitable demise." The institute, which is a national association of the railway equipment and supply industry, noted that rail coach travel for distances of more than 200 miles has not declined since 1950 and added that for families having annual incomes of less than \$10,000 the railroads are still the most popular means of travel.

Business Schools

(Continued from page 36)

study of business operations, searching out the groups of activities, or kinds of functions, common to many if not all businesses and their executives. By correlating these activities with the subject matter and training necessary to perform them, the curriculum was organized toward development of business managers. Such managers would be trained in pervasive executive skills, yet acquire sufficient knowledge of business specialties to attain high competence in some and to understand the inter-relatedness of all.

The new curriculum was announced in 1917, and it has served so well that it has undergone no fundamental changes since. Courses and texts, of course, change continuously, and the school now offers exclusively a graduate program, but the basic pedagogical approach persists. For example, one of the newer curriculum additions, an expanded program in the behavioral sciences, began in the early years as required background courses in psychology and sociology.

As fast as those early teaching materials could be drafted by the faculty, they were mimeographed for students. Former Dean Garfield Cox, now emeritus, who joined the faculty in 1920, chuckles when he recalls that a business student could



Proposed School of Business building for Northwestern's Evanston Campus

be spotted anywhere on campus by his stacks of mimeographing in lieu of textbooks.

As these materials became printed texts, they spread to business schools across the country. Some classic examples include Marshall's "Business Administration" and "Industrial Society," Charles O. Hardy's "Risk and Risk Bearing," Paul Douglas' "Wages and the Family," and Cox's "An Appraisal of American Business Forecasts."

Notable Contributions

Beyond such basic work in creating curricula and texts, the school has given other notable contributions to the business community. James O. McKinsey wrote the first book on "Managerial Accounting," developing what is now a major managerial area, e.g., operational cost accounting as distinct from purely financial accounting. He was an early advocate of a practice now taken for granted — business budgeting — and organized one of the first and best known management consultant firms, McKinsey and Company.

Theodore Yntema, now financial vice president of the Ford Motor Company, developed his theory of "marginal revenues" while on the faculty. James L. Palmer, president of Marshall Field and Company, co-authored a study of retail prices while teaching in the school. Leverett S. Lyon, later to become vice-president of the Brookings Institution and then chief executive officer of the Chicago Association of Commerce and Industry, joined the U. of C. faculty in 1916 and helped develop its courses in marketing.

Both schools have enriched incal-

culably the business world's understanding of itself and the society in which it functions. Legions of special studies, undertaken independently or under grants from business, not only have improved business methods and procedures, but provided the theory and fact upon which many public and business policies are based.

The U. of C.'s School of Business, under Dean W. Allen Wallis, has embarked on a ten-year plan, which calls for a quadrupling of campus enrollment, from 250 to 1,000 graduate students; a doubling of downtown enrollment, from 650 to 1,300; and a campus center of several new buildings. Supporting the plan is a School of Business Committee of executives of major Chicago companies.

Northwestern's School of Business, as Dean Richard Donham puts it, is "the 'General Motors' of professional business education." It maintains its undergraduate school, as well as graduate and executive programs, and a large downtown evening school in which many of its 5,000 students are not working toward degrees. Northwestern, too, looks hopefully toward a new building on the Evanston campus.

With the aid of a Ford Foundation grant, Northwestern is exploring new ways of dealing with the perennial puzzle, how better to combine arts and sciences with business education. Nub of the problem, says Dean Donham, is "how to provide the breadth and length of vision to see an entire business operation in its societal relationships, when almost all the lesser jobs on the way up to an administrative post require the very specialization which may destroy breadth."

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Discussing the Chicago International Trade Fair at a recent meeting are (left to right) Richard Revnes, Managing Director of the 1959 Chicago International Trade Fair; C. W. vanGiesen, Manager of the Import-Export Department of Montgomery Ward & Co.; Andrew Thomson, Administrative Assistant to the President of Carson Pirie Scott & Co., and Jack Camp, Director of Foreign Operations, International Harvester Company and Vice President of the Association's World Trade Division



Quality control in management, production and inspection is presented by Dr. Gale McElrath of the University of Minnesota at the 13th annual two-day training course in quality control

Association



Dr. Paul Dudley White (center) who spoke before the 6th Annual Heart-in-Industry Conference, says "exercise is more important than any medicine." He is pictured with Association President Joseph L. Block (right) and board member Paul Goodrich, President of the Chicago Title and Trust Company



The need for highly-trained workers to meet specialized manpower needs is discussed at the recent Education-Industry Conference by (left to right) Dr. Robert Johns, Director of Illinois Higher Education Commission; Boyd Mulder, President of Industrial Relations Association of Chicago; Thomas G. Ayers, Vice President of Commonwealth Edison Company and Vice President of the Association's Industrial Development Division

NEWS



BOARD ACTION

Association Directors Endorse Mayor Daley's Budget for 1959

Retain Counsel to Fight For Lake Diversion

The Board of Directors of the Chicago Association of Commerce and Industry at their November meeting endorsed Mayor Richard J. Daley's 1959 Executive Budget for the City of Chicago.

The Board praised Mayor Daley for his efforts and the program set forth in his budget. They particularly applauded the Mayor's proposal of a new City Department for the Port of Chicago, the creation of a Department of Aviation and the consolidation of the city functions of the Chicago Park District, including Park District Police, with that of the City of Chicago.

Charles B. Randall, Vice President of the Governmental Affairs Division, in presenting his Division's report on the Mayor's budget said: "These are all needed improvements and should prove to be of real benefit to all the people of the Chicago Metropolitan Area."

The Board also authorized the employment of counsel to represent the Association in the lake diversion case pending before the United

States Supreme Court filed by the States of Wisconsin, Michigan, Minnesota, Ohio, Pennsylvania and New York. The suit seeks to compel the Metropolitan Sanitary District of Chicago to return its sewage effluent into Lake Michigan.

In other action, the Board agreed to continue the Association's joint participation with the Urban League in supporting the Vocational Guidance program started last year. Edward C. Logelin, Vice-President of the Health, Education and Welfare Division, said that hundreds of organizations have joined with the League in conducting programs aimed at stimulating interest in the many educational and vocational opportunities available to Negro young people.

"It is economically sound," said Logelin, "to encourage young Negroes to remain in school. In this way the area's skilled manpower force will increase and abilities of young Negroes will be recognized so that they may become better future citizens."

Morris R. DeWoskin, Manager of the Executive House and a guest at the meeting, predicted tremendous changes in Wacker Drive's skyline. He said he expected new apartment buildings and hotels to mushroom along the river bank, and the development of a shopping area paralleling that of New York's Fifth Avenue and Chicago's North Michigan Avenue.



Charles B. Randall, Vice President of Governmental Affairs, presents the Association's viewpoints concerning Mayor Daley's 1959 Budget before members of the City Council

Two-way Trade between Canada and United States expected to boom

Canadian Minister Speaks At Conference

Trade experts and government officials predicted tremendous growth in trade relations between Canada and the United States at the recent all-day Canadian-American Trade and Industry Conference sponsored by the Association.

The meeting, first of its kind, afforded an opportunity for Canadian and Midwest businessmen to sit down together in Chicago and plan new ways to increase trade.

Gordon Churchill, Canada's Minister of Trade and Commerce, urged the United States to strive toward a better balance of trade. He said 60 per cent of Canada's export trade crosses the border into this country, while 70 per cent of Canada's imports come from the U. S.

"Measured in dollars we buy \$4 billion from you and you purchase \$3 billion from us," he said. "It is that difference of one billion dollars in your favor that causes some con-

cern in Canada." However, Churchill assured an audience of 400 that there is no anti-American feeling in Canada. He did point out that public relations between the two countries could be improved. He offered an eight-point program:

- 1) Promote exports from Canadian subsidiaries including components for use in parent company plants.

- 2) Use as many Canadian materials and component parts in your Canadian operations as can be economically justified.

- 3) Do more processing of Canadian materials before export, where this can be done competitively.

- 4) Encourage and train Canadian personnel to take an increasing part in the management and professional positions in subsidiary corporations.

- 5) Carry out in Canada more research and new development work.

- 6) Give local management greater autonomy in operating Canadian subsidiaries.

- 7) Offer Canadians opportunities to buy equity stocks in the subsidiary companies operating in Canada.



Gordon Churchill (second from right), Canada's Minister of Trade and Commerce, is welcomed to Chicago by Deputy Mayor John Duba (second from left), as Gerald Newman (left), Consul General of Canada, and Ernest L. Schimmel (right), Chairman of the Canadian-American Trade and Industry Conference, look on

- 8) Encourage branch plants to participate more fully in the life of their communities.

Ernest L. Schimmel, Chairman of the Association's Canadian-American Trade and Industry Committee and Chairman of the Conference, welcomed the Canadian delegates. Other principal speakers were

Thomas H. Coulter, Chief Executive Officer of Chicago Association of Commerce and Industry. Harold M. Mayer, Professor of Geography at the University of Chicago, and Wilfrid Sanders, Vice President and General Manager of J. Walter Thompson Company Ltd.

New Laws and Regulations Affecting Business

The Governmental Affairs Division reminds Association members that several recent changes in laws and regulations have been made and are now in effect. Others will go into effect shortly.

Here are the highlights:

An important new income tax advantage for small businesses is a stepped-up depreciation rate. A new change allows a deduction in the first year of an extra 20 per cent of an asset's cost above the regular write-off. The remaining depreciation to be taken will be reduced by this amount. The extra depreciation covers only \$10,000 of assets a year (or \$20,000 where a joint return is filed) and applies only to tangible personal property with a life of at least six years. The property must have been purchased after 1957.

The Federal Welfare and Pension Plans Disclosure Act, as the title indicates, provides for the disclosure and reporting of the financial operations of all types of private em-

ployee welfare and pension benefit plans covering more than 25 employees. The effective date of the Act is January 1, 1959.

An important measure was enacted during the last session of the 85th Congress to help small business find adequate financing—have better access to equity capital and to long-term loans.

Employers, employees and self-employed persons will pay higher social security taxes on increased wage amounts beginning January 1, 1959. The rate on employers and employees was raised from 2¼ per cent to 2½ per cent. The amount of wages and salaries subject to the tax was increased from \$4200 to \$4800. The social security tax rate for the self-employed individual was increased from 3⅜ per cent to 3¾ per cent and applies to the first \$4800 of income. Benefits will be increased approximately seven per cent.

On February 2, 1959, new salary



Preston E. Peden, Director, Governmental Affairs Division

requirements for the exemption of executive, administrative and professional employees from the Fair Labor Standards Act will go into effect.

Under the revised salary tests, an executive employee, to be exempt from the Act's minimum wage and overtime provisions, must be paid a salary of at least \$80 a week instead of the \$55 now required. Administrative and professional employees, to be so exempt, must be paid at least \$95 a week instead of \$75, as at present.

For further information regarding these items, call or write the Governmental Affairs Division.

University of Illinois President to Discuss Branch Site

Set December 16 for Dr. Henry's Talk

The status of the proposed new Undergraduate Branch of the University of Illinois in Chicago will be discussed by Dr. David D. Henry, President of the University of Illinois, at a luncheon meeting to be held in the Grand Ballroom of the Hotel Sherman on Tuesday, December 16th at 12:15 p.m.

More than 1,000 University alumni, civic and business leaders and government officials are expected to attend the meeting hosted by the Chicago Association of Commerce and Industry.

Richard L. Nelson, President of the Real Estate Research Corporation, will analyze the four sites under consideration by the University at the meeting. They are: Northerly Island, the strip of man-made land south of the Adler Planetarium on Chicago's downtown lake front now largely occupied by Meigs airport; railroad land just south of Congress

street and east of the Chicago river, which may be vacated by 14 occupying railroads and three railroad stations; the south Garfield Park area, between the Congress street super-highway and Madison street including some residential property east of the park and Riverside Golf Club in North Riverside, 11 miles west of the loop and immediately south of Miller Meadow, the University's original choice for a new campus.

Nelson will use new colored illustrations and photographs in his talk.

Major Employers Directory Issued

A directory of major employers in the Chicago metropolitan area has just been published by the Association's Division of Business Research and Statistics.



Dr. David D. Henry,
President, University of Illinois

The 60-page book, one year in preparation, lists 977 companies with 1,215 plants within the six-county Chicago Metropolitan Area.

Each company's name, its divisions and subsidiaries, address, type of business, manufacturing classification, and the number of its employees, together with an alphabetical index to both the company and the type of business, are listed.

This new Directory is similar to the Directory of Large Employers in the Chicago Metropolitan Area published several years ago by the Association.

Trade Show and Convention Lists Available

A new list of Chicago-held trade shows and business conventions is now available to Association members.

More than 300 of the largest conventions and shows scheduled between December 1, 1958, and July 31, 1959, are listed, together with the meeting places, dates, and names of convention chairmen.

The booklet is issued semi-annually and free copies are available from the Commercial Development Division.

Other Association publications, such as the "Chicagoland Picture Book" and "Wage Assignments and Garnishment in Illinois" are also available. A small fee is charged for these publications.

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**Honor
Americanization
Program
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Board of Education
and Association**



The 40th Anniversary of the Chicago Board of Education's Americanization Program is celebrated on "Americanization Day." The Association together with the Board of Education founded the program in 1918 under the direction of President Harry H. Murich. The observance hailed the teaching of citizenship to 400,000 immigrants in the last four decades. Pictured are Joseph L. Block (left), Association President and R. Sargent Shriver, Jr., Board of Education President, speaking with new citizens in the costumes of their homelands

"Teachers Real Soldiers in Front Ranks of Cold War" --- Joseph L. Block

Forty years ago, thirty foreign-born Polish teamsters sat on barrels of lard in a Railway Express office and were taught the principles of American democracy.

That was the beginning of Chicago's Americanization Program that would later help more than 400,000 immigrants to become better citizens and workers. This program, founded by the Chicago Board of Education and the Chicago Association of Commerce and Industry, observed its 40th Anniversary on November 19th at a luncheon meeting.

Keynoting the meeting was Joseph L. Block, President of the Association, who praised the men and women who have kept the Americanization program active for the past 40 years. Other participants were R. Sargent Shriver, President, Chicago Board of Education, and Dr. Benjamin C. Willis, General Superintendent of Schools.

"In these days of the cold war, of conflicting ideologies competing for men's minds all over the world," said Block, "the proclamation of

Americanization Day is particularly important in pointing up the need to prepare our newcomers for a full understanding and appreciation of our American way of life.

"All too often," he continued, "a small group of dedicated people work on year after year performing a service for the whole community disproportionate to any reward or hope of reward for themselves. Such a group are the Americanization teachers of the last forty years. They are the real soldiers in the front ranks of the cold war," he said. "It is through their efforts that over 400,000 persons of every race, creed and ethnic group have joined with us as American citizens to champion the ideals in which we so strongly believe."

Each year more than 12,000 Chicagoans of all ages from 16 upward are enrolled in the day and evening classes of the Americanization Program. Students are taught the classic "3-R's" which helps prepare them for fuller lives as citizens. Each day

270 classes are held in more than 175 centers throughout the city.

In 1918, the United States Department of Interior, Bureau of Education, began an "America First Campaign" to increase school attendance of non-English speaking immigrants. To help promote this movement, the Association formed an Americanization Committee among its members. Cooperating with the Association was the Chicago Board of Education and the Illinois Society of Colonial Dames.

The first instructor in the program was the late Miss Frances K. Wetmore who visited factories to teach foreign men and women English. She started at the W. D. Allen Company and offices of the American Railway Express Company. It was through the work of Miss Wetmore that the need for such a program was brought to the attention of the Association. Paralleling the Association's program, the Board of Education started classes in industries, settlement houses, in the Tribune Building and the Wrigley Building.



President of the Midwest Stock Exchange, James E. Day, points out Chicagoland's financial growth to more than 500 industrial development executives at the Plant Location Conference

Plant Location Conference Draws 400 Industrial Development Experts



James E. Day (left) happily accepts a red carnation from Thomas G. Ayers at the Plant Location Conference

Chicago's Financial Growth On Upswing

Is there a science in plant site selection?

Is now the time to move my plant or shall I wait?

Must I hop a plane for New York City to obtain financing or can I satisfy my need in Chicago?

What methods of financing a new plant are available to me?

These were some of the questions answered at the first conference on Plant Location in the Chicago Market Area sponsored by the Association.

More than 300 industrial development executives met in all-day sessions discussing such subjects as markets, transportation network, skilled labor force, favorable tax structures, political climate and the supply of plant location experts.

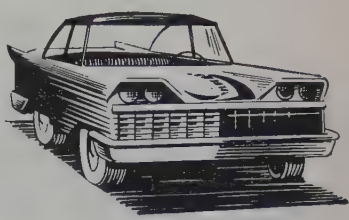
James E. Day, President of the Midwest Stock Exchange, addressed the luncheon meeting and told of the growth of Chicago's financial market. He said the total capital of the seven largest loop banks is now \$605,000,000 and exceeds the combined capital of all of the banks in any of 41 states. Further, he said, demand deposits in Chicago Central Reserve Banks have risen 9.4 per cent in the last decade while those in New York City's decreased 8.1 per cent.

"New York is still first, but Chicago is gaining rapidly," he said.

In commenting on inflation, Day pointed out that the only answer to the problem ahead is continuing capital expenditures by private industry.



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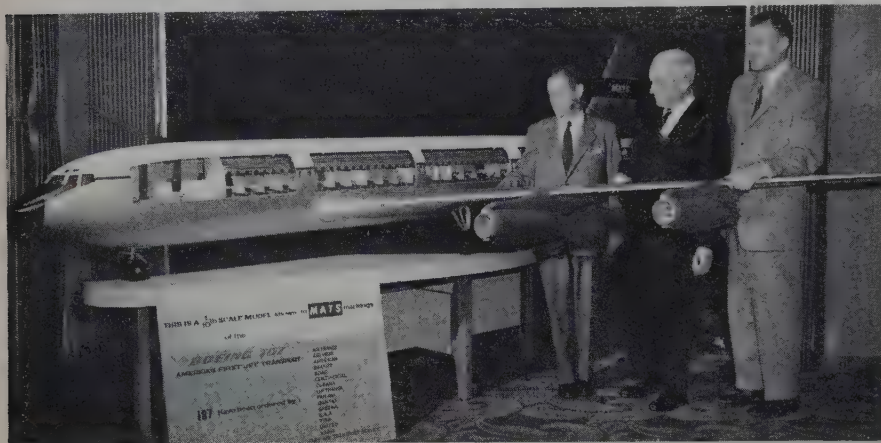
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James R. Durfee, Chairman of the Civil Aeronautics Board, addresses Association members attending Jet Transportation Day luncheon



Joseph L. Block (left), Association President, James R. Durfee (center) and Thomas H. Coulter, Chief Executive Officer of the Association, examine a scale model of the Boeing 707

Durfee Tells Airlines: "Stress Low Cost Flights"

Speaks Before 500 At Jet Transportation Day

Civil Aeronautics Board Chairman James R. Durfee asked the nation's airlines to consider the possibilities of higher passenger volume and lower cost flights as they make the transition to high speed jets.

In a speech before a meeting of the Association on Jet Transportation Day, Durfee emphasized that the airlines must "tap new markets" or "face lean times and a further decline in profits."

The CAB chief reported that the average airliner was flying with 59 per cent of its seats filled, compared with 62½ per cent a year earlier. He added that each drop of one percentage point costs the airlines \$20,000,000 to \$25,000,000 a year in revenue.

Durfee insisted that "the problem is based on the fact that the carriers

by purchasing jetliners are expanding their capacity and incurring expenses." He maintained that this is happening at the same time that the airlines have come to the end of that reservoir of common-carrier traffic formerly handled by rail which the airlines have been tapping for 30 years. "We are inclined to think that the way ahead lies in experimentation with new, higher density, lower priced services which, coupled with the still greater speeds of today's aircraft, should cut further into private auto travel and attract completely new travelers."

More than 500 persons attended the conference at which several of the nation's experts in jet aviation participated.

Frank E. Quindry, Chairman of the Association's Aviation Committee, was chairman of the program.

Architectural Honor Awards Program Opens

Entries Now Being Accepted

Announcement of the 1959 Honor Awards Program citing outstanding examples of contemporary Chicago-area architecture was made last month by the Association and the Chicago Chapter of the American Institute of Architects.

The annual event, now in its fifth year, will be climaxed with the presentation of awards to Chicago architects, builders, craftsmen and building owners at the Annual Honor Awards Luncheon to be held April 14, 1959.

The awards program is co-sponsored by the Association and the AIA to encourage continued excellence in architectural design and the related arts and craftsmanship. It offers civic recognition for superior design and construction of buildings completed in the Chicago Metropolitan Area during the past five years.

Each year certificates are presented to architects and contractors of award-winning buildings. Bronze plaques are given to owners of buildings designated for honor awards.

Other citations are made for creative work in the fine arts in conjunction with a completed building and for outstanding improvements to existing buildings.

Chicago architect Clifford Wolfe, AIA, is chairman of the 1959 Honor Awards Committee. This year's jury will include three prominent architects from outside the Metropolitan Chicago Area and two Chicago business leaders.

Entries are submitted by building owners, architects, real estate organizations, builders, artists or craftsmen between the announcement of the program (November 18, 1958) and January 10, 1959, to cover projects completed during the five-year period between January 1, 1954, and January 1, 1959.

Complete details are contained in an invitational brochure available from the AIA office or from the Association offices at 30 West Monroe Street.

Calendar of Association Events

December 8	Research Clearing House Committee Luncheon Meeting; Speaker: Richard Nelson, Real Estate Research Corp. Subject: Department of City Planning	Association Conference Room 12:15 P.M.
December 9	Membership Luncheon Meeting; W. C. Wichman, General Manager, Hotpoint Company, Host	University Club Presidents Room 12:15 P.M.
December 11	Illinois Committee Luncheon Meeting; Milton Myers, Chairman	Association Conference Room 12:15 P.M.
December 11	Membership Luncheon Meeting; John A. Barr, Chairman of the Board, Montgomery Ward and Company, Host	University Club Parlors A & B, 12:15 P.M.
December 12	Board of Directors Luncheon Meeting; Joseph L. Block, Chairman	Association Conference Room 12:15 P.M.
December 16	Membership Luncheon Meeting; John Madden, President, James B. Clow & Sons, Host	University Club Presidents Room 12:15 P.M.
December 16	University of Illinois Luncheon Meeting hosted by the Association. Speaker: Dr. David D. Henry, President, University of Illinois, discussing the site selection for the new undergraduate branch for the University's expansion program	Hotel Sherman Grand Ballroom 12:15 P.M.
December 18	Illinois Committee Luncheon Meeting	Association Conference Room 12:15 P.M.
December 18	Junior Co-ordinating Committee Luncheon Meeting; C. Edward Dahlin, Chairman	Swedish Club, 12:15 P.M.
December 18	Membership Luncheon Meeting; L. H. Knopf, President, Meyercord Company, Host	University Club Presidents Room 12:15 P.M.
January 4	"Your Right To Say It" WGN-TV telecast on the problems of the St. Lawrence Seaway; Guest speaker: Thomas H. Coulter	WGN-TV, 7:00 to 7:30 P.M.
January 6	Membership Luncheon Meeting; C. R. Krueger, Regional Sales Manager, General Mills, Inc., Host	University Club Presidents Room 12:15 P.M.
January 8	Illinois Committee Luncheon Meeting	Association Conference Room 12:00 Noon
January 8	Membership Luncheon Meeting; Charles S. Craigmile, President, Belden Manufacturing Company, Host	University Club Presidents Room 12:15 P.M.
January 8	National Council of American Importers Luncheon Meeting; Speaker: Thomas H. Coulter. Subject: The Economic Impact of the St. Lawrence Seaway	Astor Hotel New York, N. Y.

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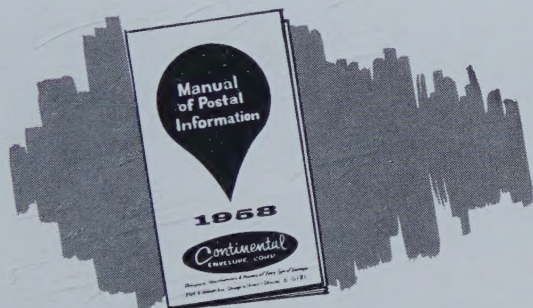
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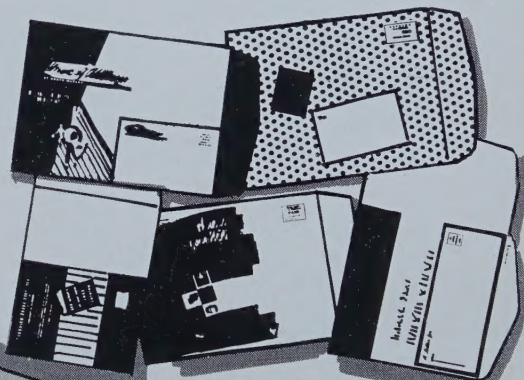
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